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Railway Age

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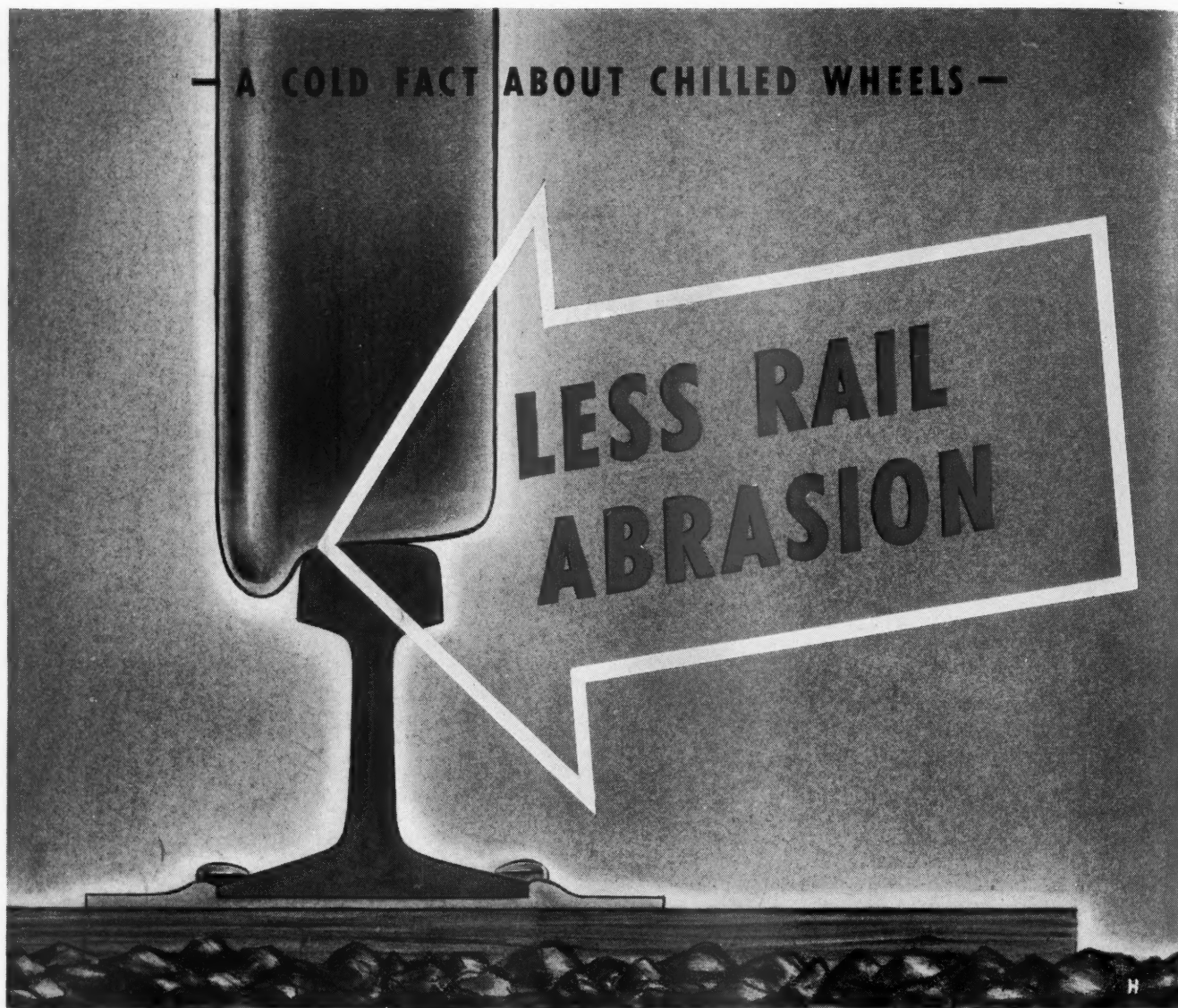
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How Trucks and Railroads Can Help Each Other and the Public—III

In the two preceding issues of *Railway Age* in this space a comprehensive discussion has been undertaken of the problem of adjusting railroad service and operations to meet the competition of trucks. In general, the viewpoint upheld has been that the railroads should relinquish to the trucks such operations as trucks can handle more economically, but that they should vigorously challenge truck competition for traffic which can be more economically moved by rail.

The goal which both railroad and truck interests should be seeking—or toward which, if they fail to pursue it voluntarily, the regulatory authorities should direct them—is providing transportation to the American people at the lowest possible total cost consistent with adequate and dependable service. Reducing the true costs of transportation can occur only if there is *genuine competition* between handling freight by rail and handling it by truck.

Not Enough Real Competition in Transportation

Mere *rivalry* between one corporation which happens to provide transportation principally by rail and another which provides transportation principally by truck does not constitute genuine competition between the two methods of moving freight. Such rivalry may take various forms (such, for instance, as jockeying for political favors) which have not the slightest resemblance to real economic competition. Rivalry of this kind affords no guarantee whatever that the cost of transportation to the consuming public will be made reasonable. The outcome of such rivalry (because of special favors received from the legislative authorities) may leave the corporation interested primarily in highway transportation secure in the operation of trucks handling traffic which could be moved much more economically by rail. Similarly, the intensity of such rivalry may be such as to inhibit the railroad corporation participating from substituting truck transportation for its less economical movements by rail.

In sharp contrast to mere rivalry, genuine economic competition has the effect of weighing the total costs of each transportation task, and assigning the job to the competing agency which can do it at the minimum expenditure of labor and capital. There is a great deal of wasteful rivalry in this country between corporate interests primarily identified with railroad transporta-

tion, on the one hand, and those whose interests are identified with intensified use of motor vehicles on the other. But there is only a limited degree of genuine economic competition between transportation by rail and that by truck—competition of a character to encourage the use of the more economical means of movement for each transportation task. And the intervention of government, so far, has served more to promote uneconomic rivalry among conflicting corporate interests (and hence to increase the transportation costs to be borne by consumers) than it has to promote genuine competition among various means of transportation based on their relative costs.

Mr. Eastman's Generosity with the Taxpayers' Money

The recent report issued "posthumously" by the Federal Co-ordinator of Transportation on Public Aids to Transportation affords striking evidence of the extent to which government has intervened in transportation—not with the effect of reducing the cost of transportation to the American people, but rather quite the contrary. Former Co-ordinator Eastman's researchers calculate total highway costs in the years 1921-1937 to have been 25½ billion dollars, with payments by highway users just a little less than 11 billions in that period. These researchers feel that even this 11 billion which the highway users paid was too much—by rights they should have paid 161 million less, and the general taxpayers should have paid that much more, toward the upkeep and improvement of the highways in that period.

As stated in an editorial in the *Railway Age* last week, the assumptions regarding how highway costs should be divided between users of the highways and other taxpayers and, consequently, the statistical conclusions reached in the Eastman report, differ widely from those in previous reports by other investigators. The question of subsidies to highway transportation was investigated for the Association of American Railroads by a committee of three eminent consulting engineers—C. B. Breed, Professor of Railway and Highway Transportation, Massachusetts Institute of Technology; Clifford Older, formerly chief engineer Illinois Highway Commission; and W. S. Downs, Professor of Railroad and Highway Engineering, West Virginia

University. In their report, made in January, 1939, they estimated total highway costs in the years 1921-1937 at 31 billion dollars—the excess of 5 billion 600 million over the Eastman estimate being due principally to inclusion in the Breed-Older-Downs estimate of taxes on the investment in roadway facilities not included in the Eastman estimate. The estimate in the Breed-Older-Downs report of what highway users had paid was the same as in the Eastman report—11 billion dollars; but its estimate of what they should have paid was almost 24 billion—13 billion larger than the Eastman estimate; and, therefore, the conclusion reached was that highway users had been subsidized to the tune of almost 13 billion, as compared with the conclusion in the Eastman report that, as a whole, highway users had virtually not been subsidized at all.

How the Authorities Differ

The reason for this vast difference in the estimates regarding how much highway users should have paid and by how much they were subsidized is shown by the statistics given in Table I. The Eastman report estimates that highway users should pay a smaller percentage, and taxpayers in general a higher percentage, of the cost of every kind of highway than does the Breed-Older-Downs report. In consequence the Eastman report concludes that only 41 per cent of total

Table I.—Percentages of Motor-Vehicle User Responsibility for Roads and Streets as Shown in Various Reports

Type of highway	Eastman (national basis, 1937)	Breed, Older & Downs (national basis, 1938)	Ennis, New Jersey, 1935	Missouri, 1938	Illinois, 1937	Oregon, 1936
Main trunk	83%	90.2%	85%	90%	90%	85.6%
Intermediate	34	90.0	85	66	60	10.9
Land-service roads	34	90.0	85	66	60	10.9
City streets	30	48.3	51	50	50	18.5
Totals	41	76.0				

highway costs should have been paid by highway users and 59 per cent by taxpayers in general, while the Breed-Older-Downs report concluded that 76 per cent should have been paid by highway users and only 24 per cent by other taxpayers.

Besides the percentages used in the Eastman and the Breed-Older-Downs reports regarding how much of total highway costs should have been paid by the users, there are also given in Table I the percentages arrived at in a study of highway costs in New Jersey by Prof. William D. Ennis of Stevens Institute of Technology; and in Missouri, Illinois and Oregon by state authorities. The percentages used by the Illinois Highway Commission were subsequently upheld as reasonable by a decision of the Federal District Court. It will be observed that the percentages used in the Eastman report are much lower than in any of the other reports excepting that in Oregon. If the percentages used in Illinois, which were the next lowest,

had been used in the Eastman report, it would have found that highway users in the years 1921-1937 had received a subsidy of 6 billion dollars.

The wide differences between the estimates regarding the proportions of highway costs that should be borne by highway users and other taxpayers are due to the adoption by those making the estimates of widely different basic assumptions regarding the "social benefits" derived by the public in general—that is, taxpayers in general—from the provision of highways. And it remains a fact that during this period when general taxpayers were, even according to the estimate in the Eastman report, contributing about 15 billion dollars toward the cost of providing highways, they contributed nothing (at least in the way of net outlays of taxpayers' money) toward providing railway transportation. The whole cost of railway service was collected from railway users, or was supplied by withholding from railway investors a reasonable return on their property.

Is It a Real Race, with One Competitor Afoot and the Other on a Bicycle?

It is as plain as anything can be, under this method of treating one form of transportation as a kind of social service akin to police protection, and a parallel agency as a purely economic entity which is required to stand upon its own financial feet, that genuine competition on a basis of comparative economic merit between the rival agencies is impossible. That 15 billion dollars paid by general taxpayers toward providing highway transportation in the years 1921-1937 did not appear in the expenses of highway transportation to the users thereof. It was inevitable under such dissimilar treatment that much traffic moved by highway, when capital and labor would have been saved if it had moved by rail. Government intervention in transportation, in other words, resulted beyond any question in more labor and capital being used to provide transportation in those years than would have been used if there had been no such intervention. Government intervention which promotes economic waste operates, not to improve the standard of living of the people, but to reduce it.

Of course, there are "social benefits" arising out of highway improvement which make it possible to argue, as Mr. Eastman's researchers have argued, that a considerable proportion of the costs of such improvement should be borne by general taxpayers. Similar "social benefits" arise, though, from practically every economic instrumentality—banks, grocery stores, moving picture theaters, electric utilities. Mr. Eastman's researchers do not recommend of these other economic services (as they do of highways) that their patrons pay only 40 per cent of their costs and that 60 per cent be paid from general taxes.

As a railroad publication, *Railway Age* is not immediately concerned with the question as to whether

non-commercial and purely local highway transportation pays its own way or not. If we were in the real estate business, or the clothing business, or the jewelry business, we might be inclined to question the policy of the government in making pleasure-motoring seem cheaper than it really is, in competition with housing and clothing and jewelry which get no assistance from the public treasury. But neither the railroads nor the *Railway Age* are in the real estate or the clothing or the jewelry business; and hence we stick to our last, which is commercial transportation—and not even all commercial transportation, but only that for distances of 20 miles and upward. In the field of long-distance commercial transportation the railroad industry, and this publication which holds itself out to serve that industry as a source of information, would be derelict

if they neglected to seek out and expound the principles necessary to promote economical practices.

So, leaving to others the question whether taxpayers generally should bear a major part of the cost of highways for passenger automobiles and short-haul trucks, we restrict ourselves wholly to policies governing commercial vehicles providing long-haul transportation of the kind afforded by the railroads. For greater clarity, let us be specific: There are several long-haul motor lines operating between the textile centers in the Carolinas and New York. They are rivaling the service provided by the railroads which operate up and down the Atlantic seaboard between these points. Can anyone seriously contend that there are "social benefits" attendant upon the operation of these truck lines which justify making a part of their highway costs a charge

Marksman's Inadequate

A colored child remarked upon alighting from a ride on a merry-go-round, "I'se jes' wheah I stahsted an' I done spend my nickel." These words seem to reflect the position of the railroads in their effort to meet truck competition on macaroni in the West. (I. & S. 4706.) The railroads proposed to reduce the rates on macaroni from Column 29½ to Column 20. In this space in our October 14, 1939, issue, page 397, it was stated that: "More than 75 per cent of this commodity is moving by truck, but a large part of this movement is within 300 miles and practically none of it is being trucked beyond 500 miles. By this rate change, the 20-cent short-haul rate is reduced only 7 cents and 60-cent long-haul rate is reduced 20 cents."

The I. C. C. majority held that the suspended rates, proposed to meet truck competition, were unduly preferential and prejudicial; and the concurring opinion agrees with the conclusion but says that all that is involved is the propriety of a classification rating. Comparison of present and proposed railroad rates with railroad and truck costs follows:

MILES	COLUMN 29½ ZONES				COLUMN 20 ZONES				Rail Cost (a)	Truck Cost (b)
	1	2	3	4	1	2	3	4		
50	16	18	19	21	11	12	13	14	7*	8
100	22	24	27	30	15	17	18	21	8*	12
200	29	33	36	42	19*	22	25	28	10*	20
300	35	40	43	50	23*	27*	29	34	13*	29
400	40	46	51	58	27*	31*	34*	39	15*	36
500	46	53	58	67	31*	36*	39*	45	18*	45
600	52	59	65	75	35*	40*	44*	51*	20*	52
700	58*	65	72	83	39*	44*	49*	56*	22*	60
800	62*	71	78	89	42*	48*	53*	61*	24*	66
900	67*	76*	83	95	45*	51*	56*	65*	26*	77
1000	71*	81*	89	102	48*	55*	60*	69*	28*	85

(a) Average Rail Cost, 20-ton box car loadings I. C. C. Sta. 3681, less return on investment.

(b) Truck Cost, 12¢ per mile, 4¢ cwt. terminal, 20,000-lb. loadings, 75 per cent loaded.

Italicized figures indicate higher than truck cost.

* Lower than truck cost.

Considering the intent of the proposal, namely, to meet truck competition, do the above figures indicate that a bull's-eye has been scored? The rate scale progression does not appear to parallel the cost of trucking. If it is just meeting competition that was aimed at, does it not appear that Col. 20 rates are too high for short hauls and lower than necessary for long hauls?

If due consideration had been given to the cost of trucking, in the proposed railroad rates, would the Commission have been able to justify a finding of discrimination? The Commission has consistently held that those who are unable to show like competitive conditions should not be heard to say that they are injured by rates established to meet actual truck competition.

Railroad handling costs justify the railroads in making rates lower than truck rates for all distances, thus offsetting the truck advantage of door-to-door delivery. The railroads are also justified in insisting that trucks be not allowed to make rates below their average cost, based upon average ratio of loaded to empty movement. This procedure would effectively meet truck competition and would not reduce railroad revenues on present traffic nearly as much as they would have been reduced by the suspended rates. This would also have the added advantage of offering to shippers a worthwhile inducement to return traffic that is actually being lost to the railroads, while not depleting revenues where there is practically no truck competition.

The report states that the railroads are also confronted with the competition created by private trucks and the low rates of contract carriers by truck. If the Commission will require the contract trucks to base their minimum rates upon average empty to loaded movement, the contract trucks would not be able to make rates as low as the railroads can. *We question the statement that private trucks seriously threaten efficient operation by for-hire trucks or railroads.*

Some of the best informed truck operators in the country insist, because of the inability of the private operator to obtain return loads in contrast with the ability of for-hire carriers to balance their loads, that, if the for-hire carriers are not efficient enough to meet private truck competition effectively, the for-hire carriers should not be heard to say that they are being injured by the operation of private trucks. We have yet to discover any appreciable movement where railroads could not profitably meet the competition from privately operated trucks.

upon the general taxpayers, whereas there are no comparable "social benefits" deriving from the parallel railroad service?

Of course, there are "social benefits" arising from both rail and truck services—but these "social benefits" are not any different from the "social benefits" afforded by the manufacturer of the textiles which the railroads and the trucks carry. Nobody, so far as we know, has suggested that the general taxpayers ought to pay a part of the costs of manufacture of cotton cloth—but why not, if it is fair to pay out of general taxation for a part of the costs of the transportation of the cloth? As a matter of fact, if we are comparing the "social benefits" of two parallel transportation agencies, which agency spreads its "benefits" more widely over society (hence excusing tax support)—the one which serves all traffic and all points, or the one which picks-and-chooses the traffic which it happens to find the most profitable?

This "social benefit" idea would not prevent the division of traffic along lines of truly comparable economy, provided it were applied without discrimination to both the agencies seeking to serve the traffic; but, to apply it to one rival and not to the other, simply makes it impossible that there can be genuine economic competition between them. The labor- and capital-saving method is not allowed to capture traffic from the method which wastes labor and capital. By subsidizing (because that is what it is, however distasteful the word may be to Mr. Eastman) one form of transportation and not its rival, the public ~~loses twice~~—first, in the expense to which it is put to provide the subsidy and, second, in the greater cost of transportation which inevitably follows when the hand of government is employed to encourage a less efficient agency at the expense of the more efficient.

Intercity Trucks Now Do Over Half as Much Business as Railroads

On another page in this issue will be found a table, prepared by L. W. Horning, director of the A. A. R.'s competitive research in eastern territory, in which the

services of the various agencies of transportation are compared—not only from the point of view of physical quantity, but from that of their relative charges to the public. Strong statistical support is given for the conclusion that intercity trucks are now enjoying not less than 56 per cent and perhaps more than 70 per cent as much freight revenue as that received by the railroads.

That is to say, according to Mr. Horning's estimate, intercity trucks in 1938 had revenues of at least 1.6 billions and maybe more than 2 billions, as compared with 2.8 billions of railroad freight revenue. Moreover, current statistics of comparative freight traffic handled by railroads and trucks show the latter increasing out of all proportion to the former. These figures take this whole question out of the realm of mere theory. Even as theories, the policies urged by Mr. Eastman's researchers with regard to commercial motor transportation are as full of holes as a sieve. Opinions may differ on theories, however. But there can't very well be any argument about the fact that transportation in this country is wasteful and expensive, and is growing more so; that it is costly and chaotic primarily because the country has more transportation facilities than it can use and because **public policy has failed to provide a framework of taxation and regulation which will encourage shippers to choose among alternative methods of transport on a basis of comparative economy;** and that it is impossible for the shipper to choose among alternative services on the basis of economy, so long as the taxpayers pay a large part of the costs of one but not of the other.

We have heard plausible arguments made, even for Hitler—just as plausible as those made by Mr. Eastman's researchers for providing truck transportation in important part at the taxpayers' expense. But no amount of theorizing can conceal or excuse the fact that Hitler has brought Europe to the brink of general chaos; nor can mere theories excuse or conceal the fact that transportation in this country is wasteful and chaotic largely because of the existence of the subsidies which Mr. Eastman's staff has striven so laboriously to justify.

Starve Out Investors and Jobs Vanish

"It is often said that the primary public responsibility of business is to furnish a good product at a reasonable price. But that is not simply a responsibility. There is no way of staying in business unless one does at least that. The definition of such responsibility is sometimes further extended to include paying an adequate wage to workers and an adequate return to the owners of the business. But, regardless of wage regulations there is, in the long run, no way of keeping good and efficient workers without paying them adequate wages.

"There is no way of even maintaining a private business, much less going forward and improving living standards,

unless the owners get a fair return which makes their participation worth while. Those who would prevent proper returns to the owners cannot claim to be friends of the wage earners. There must be employers, if work is to exist for wage earners. . . .

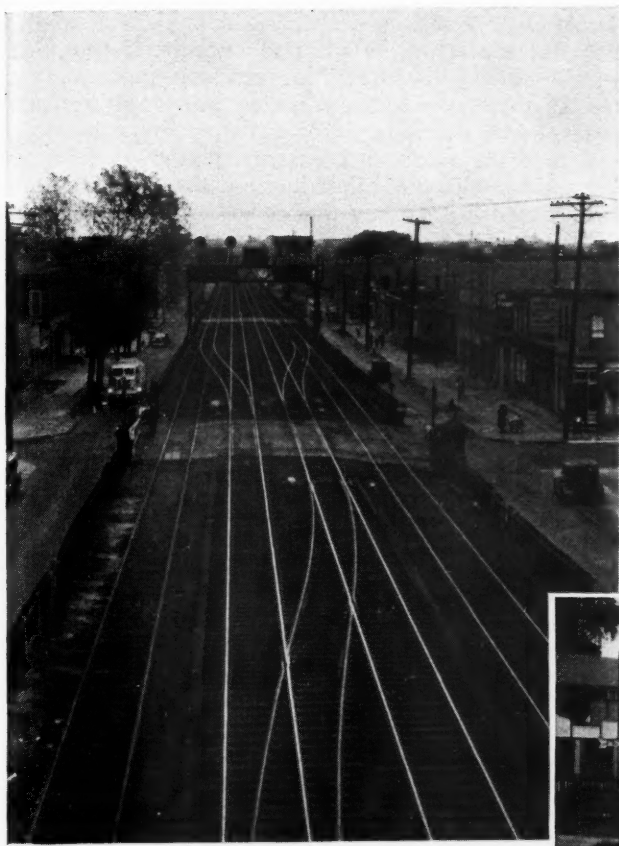
"Wages must come out of sales of production and there can be no production unless the workers have materials to work with—which means goods and services purchased from others. They must also have tools, and if no funds are set aside to renew the tools as they wear out, there will some day be no tools and therefore no jobs. Likewise, if we do not pay interest on the money we have borrowed and taxes, our property will be taken away from us. . . ."

From an Address by E. E. Stettinius, Jr., Chairman, U. S. Steel Corp., at Economic Club of Chicago.

These Three Grade Separations Will Cost

\$37,646,000

Large projects on Long Island Railroad, as well as others in New York City, have been revived by state law reducing cost to carriers



Above—Tracks in Atlantic Avenue, Brooklyn, N. Y., to be Removed From the Street Level by Depressing Them in a Subway. Right—One of the Many Crossings to be Eliminated



RAILROAD construction activity in New York City has recently been stepped up to a highly-accelerated pace with the inauguration of work on three extensive railway-highway grade separation projects on Long Island, all of which involve tracks of the electrified Long Island Railroad, a subsidiary of the Pennsylvania. Two of these projects rank among the largest undertakings of similar character that have been carried out anywhere in the country in recent years. They are the Atlantic Avenue project in Brooklyn, which will cost about \$23,809,000, and the Rockaway Beach project, which will involve an expenditure of about \$11,650,000. The third undertaking is the Aqueduct grade elimination, which will entail an expenditure of about \$2,187,000, bringing the total for the three projects to \$37,646,000.

When to this figure are added the estimated costs of grade separation projects already under way in New York City or on which work is scheduled to start during the next two or three years, the total becomes imposing. Undertakings on which work is already well advanced are the West Side improvement project in Manhattan, \$4,500,000,* and three projects on Staten Island that will entail expenditures of \$1,400,000, \$654,000 and

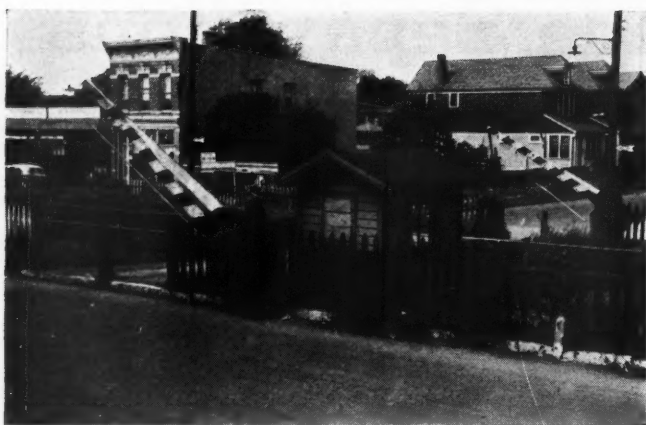
\$100,000. In addition, there are nine proposed projects, two on Staten Island and seven on Long Island, on which work will be undertaken at various times during the next three years. These projects range in size from \$400,000 to \$3,000,000, and will involve a total expenditure of \$12,800,000. Thus, the total estimated cost of railway-highway grade separation projects now in progress or soon to be undertaken in New York City amounts to approximately \$57,000,000.

Cause of Quickened Activity

This sudden spurt in grade elimination activity in New York is significant in that it is largely the result of the passage of a state constitutional amendment and of an enabling act reducing the participation of the carriers to a maximum of 15 per cent of the total cost of such projects. Prior to the passage of this legislation there was a state law in effect requiring the railroads to pay 50 per cent of the cost of grade separation work. Consequently, because of the inability of the carriers to finance their part of the costs, activity in carrying out grade-elimination projects had slowed almost to a standstill.

In New York City, where the New York State Transit Commission has jurisdiction over such projects, with authority to hold hearings and issue orders for grade eliminations, many such orders had accumulated over

* This figure represents the cost of the unfinished portion of the West Side improvement project, involving trackage of the New York Central, which was undertaken in 1929 and which will entail a total expenditure of approximately \$175,000,000.



A Typical Pedestrian Crossing in Atlantic Avenue

a period of years but the inability of the railroads to shoulder the disproportionate share of the costs imposed on them constituted an effective barrier to large-scale prosecution of the work. From the standpoint of the public interest, this was unfortunate, for the growth of the city and the accompanying increase in vehicular traffic had brought about a real need for separating railway and highway grades at many points, not only at intersections but at locations where tracks occupy streets.

However, following passage of the state law in April, 1939, reducing the proportion of grade-separation costs to be paid by the railroads to a maximum of 15 per cent on a net-benefit basis, the situation assumed an entirely different aspect almost overnight. Incorporated in the act was a provision making available to New York City, out of a state fund previously provided for financing grade eliminations, a sum of \$50,000,000 with which to complete all eliminations in the city. Almost immediately projects that had been dormant for years were revived, the preparation of plans and specifications were expedited and contracts were awarded.

An outstanding example of the manner in which grade-elimination projects have been accelerated is provided by the Atlantic Avenue project. Tracks of the Atlantic division of the Long Island occupy Atlantic avenue in Brooklyn for about five miles, and the question of removing these tracks from the street has constituted a local bone of contention for more than 30 years. The



Grade Crossings Such as This One at Rockaway Beach Are to be Eliminated by Elevating the Tracks on a Viaduct

first order for the removal of the tracks from Atlantic Avenue was issued by the Transit Commission in 1924, but for various reasons the work was never undertaken in compliance with this order.

In August, 1937, the Mayor of New York appointed a committee of public officers to expedite the solution of the Atlantic Avenue grade crossing problem, and three months later this committee presented a report recommending the approval of a plan calling for the depression of the tracks in a subway. Later, the Transit Commission held public hearings on the new plan and issued an order providing that it be carried out.

However, realizing that this and other similar projects had slight chance of reaching fulfillment unless the railroads were relieved of the necessity of shouldering a large share of the financial burden, public-spirited citizens entered strenuously into the campaign for the constitutional amendment mentioned previously. This amendment was adopted on November 8, 1938, and within two weeks thereafter the city had made available to the Long Island, through the Transit Commission, an advance of \$200,000 to permit an immediate start on detailed plans and specifications for the Atlantic Avenue project, as well as the Rockaway Beach improvement. Thus these projects were advanced by many months and by the time the enabling act became a law on April 13, 1939, substantial progress had been made toward completion of the plans and specifications. The first contract on the Atlantic Avenue project was awarded in October, 1939, or only eight months after the enabling act became effective.

Adoption of the constitutional amendment has had a similar accelerating effect on other grade-separation projects in the city, and it is expected that all of them will have been completed by April, 1943. In the words of Robert Moses, Commissioner of Parks, the city "is at last getting rid of all of its railroad crossings at grade and the program which has been debated for so many years is rapidly becoming a reality."

Atlantic Avenue Project

The three grade elimination projects that are now getting under way on Long Island—namely, the Atlantic Avenue, Rockaway Beach and Aqueduct improvements—all embody noteworthy features of design and construction. Not only is the Atlantic Avenue project the largest of the three, as measured by the expenditure involved, but it will also entail the most difficult engineering problems. As noted previously, the trackage involved in the Atlantic Avenue project forms part of what is known as the Atlantic division which, from its Western terminus at the Flatbush Avenue station in Brooklyn, extends in an easterly direction across Brooklyn and through various suburban communities. Between the East New York station on the west and Dunton on the east, a distance of about five miles, this line occupies Atlantic avenue, for part of the distance on an elevated structure, and it is in this section that the grades are being separated.

For some distance west of the East New York station the line is already depressed in a subway, but at this point it emerges from the ground and enters upon an elevated structure that extends for about 1.25 miles to the east. The line then comes down to the street level and remains there for the next 3.5 miles, or to Dunton which marks the easterly end of Atlantic avenue. At a point known as Woodhaven Junction, the line in Atlantic avenue is intersected by the Rockaway Beach branch which is carried over the former line on a viaduct. At East New York the tracks of the Bay Ridge

division are carried under those of the Atlantic division in a subway.

While the viaduct structure on the Atlantic division just east of East New York is built for four tracks, it carries only two. Between the east end of the viaduct and Woodhaven Junction the line consists of four tracks, while from the latter point to Dunton there are only two tracks. Throughout the 3.5 mile section of the line that is located at the street level, the tracks are flanked on each side by a paved roadway, while at frequent intervals they are crossed at grade by intersecting streets, there being 21 such crossings. The only existing railway-highway grade separation structure on the line is a viaduct of wood construction carrying Rockaway boulevard.

To Depress Tracks in Subway

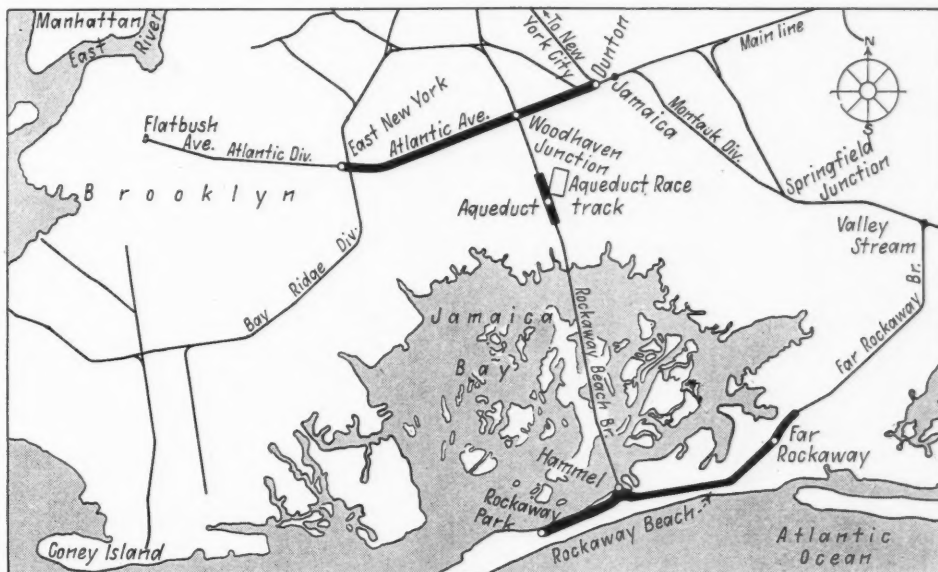
In the improvement project all the grade crossings are to be eliminated by the construction of a double-track subway, 4.75 miles long, extending longitudinally under Atlantic avenue between East New York and Dunton. Thus the project will also have the effect of eliminating

from the interior the aspect will be that of a continuous subway. Throughout the length of this enclosure the Atlantic Avenue roadway will be carried overhead. At present, the tracks of the Atlantic division are crossed at grade near the East New York station by East New York avenue, but as part of the project this thoroughfare will be depressed in a subway. This structure will constitute the only individual railway-highway grade separation on the project.

Local Stations Closed

Originally there were eight local stations between East New York and Dunton, including the latter, but all of these, except that at Woodhaven Junction, have already been closed permanently. Stations will be continued at East New York and Woodhaven Junction, and the plans for the project provide for the construction of new stations at these two locations. The new station at East New York will be located underneath the tracks, with stairways extending up to platforms in the enclosure at the track level. At Woodhaven Junction the station will be located underground at the track level. In both

The Heavy Lines on This Map of a Part of the Long Island Railroad Indicate the Trackage Involved in the Atlantic Avenue Aqueduct and Rockaway Beach Grade Separation Projects



the 1.25 miles of viaduct immediately east of East New York. Moreover, it will make possible the widening and improvement of Atlantic avenue, and this thoroughfare is destined to become an important link in the system of arterial highways on Long Island. The subway, which will be constructed by the cut-and-cover method, will consist essentially of a structural-steel and concrete box with a line of center columns. Overhead at the street level there will be two 40-ft. roadways separated by a 10-ft. mall and flanked on each side by a 15-ft. sidewalk.

Since the tracks of the Bay Ridge division extend under those of the Atlantic division in a subway at East New York it was not possible to depress the latter line here. Hence, for a short distance at East New York the tracks of the Atlantic division will be located, as at present, approximately at the street level, although in both directions from this point they will be depressed in subways.

An interesting feature of the project at this point will be the fact that the short section of street-level trackage between the underground portions of the line will be entirely enclosed, overhead and on both sides, so that

cases access to the stations will be obtained by means of kiosks at the street level.

Other work contemplated as part of this project includes the reconstruction of the existing bridge carrying the Rockaway Beach branch across Atlantic avenue at Woodhaven Junction, the construction of an overhead highway bridge to carry Woodhaven boulevard over Atlantic avenue which, together with the railroad tracks, it now crosses at grade, and the removal of the timber highway bridge that now carries Rockaway boulevard over Atlantic avenue and the railroad tracks. At a point near the easterly end of the existing viaduct a thoroughfare, known as the Sunrise highway, enters Atlantic avenue from the southeast and, as part of the project, a grade separation structure for west-bound traffic on this highway is to be built at Atlantic avenue.

During the construction of the subway, railroad traffic is to be diverted to two temporary tracks, one of which will be laid in Atlantic avenue on each side of, and parallel to, the existing tracks. However, the viaduct will be continued in service during the course of the project and to permit the excavation work to proceed

underneath this structure it will be necessary to underpin it. All excavation work will be carried out in sandy soil and largely in the dry, although it is anticipated that a certain amount of ground water may be encountered near the center of the project where the line will reach its lowest elevation. A complication is presented by the fact that the subway will intersect 13 sewer lines, all of which are to be carried under the subway by means of syphons.

Work on the Atlantic Avenue project was inaugurated in October, 1939, when the contract was awarded for laying the temporary tracks, and it is expected that actual construction work on the project will get under way early in 1940. The project is scheduled for completion on May 1, 1942.

Rockaway Beach Project

The Rockaway Beach grade elimination project differs from the Atlantic Avenue undertaking in that the separation of grades will be achieved by elevating the tracks instead of by depressing them. This project involves portions of the Far Rockaway and Rockaway Beach branches. From a connection with the Montauk division at Valley Stream, the Far Rockaway branch extends in a southwesterly direction to the south shore of Long Island and thence out onto a narrow peninsula of land known as Rockaway Beach. At a point known as Hammel, the Far Rockaway branch effects a junction with the Rockaway Beach branch which comes from the north but which swings abruptly to the west at Hammel and extends for about 1.25 miles along Rockaway Beach, terminating at Rockaway Park. It is this 1.25-mile section of the Rockaway Beach branch and the adjoining 3.25 miles of the Far Rockaway branch that are involved in the grade-crossing elimination project.

These portions of the two branches extend through a number of residential and resort communities and cross all intersecting streets at grade, there being 39 such crossings. For many years there has been local agitation for the elimination of these crossings. This is now to be accomplished by elevating the lines on a double-track viaduct for the entire distance of 4.5 miles. At the west end of the project the tracks will remain at the ground level and the existing Rockaway Park station will continue in service. Within the limits of the project there are eight local stations, all of which are to be incorporated in the elevated structure at the mezzanine level, although some of them will be relocated slightly.

Not only will consummation of this project effect an improvement in street traffic conditions on the peninsula because of the separation of grades, but it will also provide increased highway capacity by virtue of a longitudinal highway that is to be located partly under and partly to one side of the viaduct. Specifically, the highway is to consist of a roadway 23 ft. wide under the viaduct and another roadway of similar width on the north side of the structure.

Details of Viaduct

The viaduct is to be of steel construction, with the supporting bents consisting in each case of two columns, spaced 27 ft. apart. These columns will be capped by a transverse girder into which the longitudinal I-beam stringers will be framed. All of the principal members of the structure will be encased in concrete. At each station an enclosed waiting room will be provided at the mezzanine level, which will be connected with the street level by stairways on each side of the viaduct.

From the mezzanine, stairways will lead up to platforms on both sides of the viaduct at the car-floor level.

Since the surface of the ground under the viaduct is only about 4½ ft. above high tide, the ground-water level is found at a fairly shallow depth, and for this reason the columns for the viaduct are to be supported on pile foundations. In order to determine the most economical design of pile for this purpose, bearing load tests are to be conducted with four different types. The subsoil at this location consists of white beach sand to a considerable depth.

The new viaduct is to be located approximately on the present track alignment, and during its construction traffic is to be diverted to two temporary tracks that are to be built on the north side of the viaduct on the site of the proposed roadway. In fact, the temporary tracks have already been laid between the westerly end of the Rockaway Beach branch and its junction with the Far Rockaway branch at Hammel, and it is expected that construction work on the viaduct in this section will be under way within a few weeks. This project is scheduled for completion about July 1, 1941.

The Aqueduct Project

Although it is the smallest of the three undertakings, the project at Aqueduct is nevertheless of considerable magnitude. This project is located on the Rockaway Beach branch which extends in a southerly direction from a connection with the main line at Rego Park, crossing the Atlantic division at Woodhaven Junction and continuing in the same direction for about five miles. This line crosses Jamaica bay and connects with the Far Rockaway branch, as previously described.

At present there are no highway grade crossings on this line except in the vicinity of Aqueduct, a point about 1¼ miles south of Woodhaven Junction, where it is intersected at grade by three thoroughfares within a distance of somewhat more than a mile. Also, an arterial thoroughfare, formerly known as the Sunrise highway and now a part of the Belt Parkway, is carried across the tracks on an overhead bridge a short distance south of the Aqueduct station. While the amount of local passenger business originating at this station is not large, a horse-racing track is located directly at the station and during the racing season a considerable volume of business is handled from and to New York because of this attraction.

All the grade crossings in the vicinity of Aqueduct are to be eliminated by elevating the tracks on a four-track embankment for a distance of 7,500 ft. Five highway subways are to be constructed, only one of which is to be located on the alignment of any of the original grade crossings. At the Aqueduct station the revised layout will include a subway for the Belt Parkway, which will be flanked on both sides by subways for local service roads, to be known as North Conduit avenue and South Conduit avenue. All subways are to be of conventional construction, involving steel spans on concrete abutments, except that the abutments for the Belt Parkway and South Conduit Avenue structures are to be faced with cut stone.

As part of this project a new passenger station is to be constructed at Aqueduct. This structure is to be located under the tracks directly adjacent to the North Conduit Avenue subway, with enclosed stairways leading up to the platforms at the track level. Actual construction work on this project has been under way several months and it is expected that it will be completed before the end of this year. Traffic is being handled

(Continued on page 743)

Central's "Lake Shore" Piles Up at Little Falls Curve

Accident on six-degree curve kills 30; impact of equipment against stone embankment wreaks havoc

THE New York Central's "Lake Shore Limited", bound from New York to Chicago, left the rails on a severe curve at Little Falls, N. Y., at approximately 11:30 p. m., Friday, April 19, causing the death of 30 persons, of which 5 were members of the crew, 7 non-revenue passengers and 18 revenue passengers. About 40 persons sustained injuries sufficiently serious to warrant hospital detention.

The accident occurred as the Limited was passing around a six-degree bend known as Gulf curve, the most severe curve on the Central's main line, located about one-quarter mile east of Little Falls station on the Mohawk division, 73.5 miles west of Albany, N. Y. The main line at this point runs generally east and west and is four-tracked, the southerly pair of which are used by passenger trains and the remaining two by freight trains.

At the point of the accident, the right-of-way is flanked on the south by the sloping bank of the Mohawk river. The north, or outside of the curve, is paralleled by a complicated combination of highway and heavy stone masonry wall and natural rock wall cut. As may be seen in the accompanying diagram and aerial photograph, the Dolgeville branch parallels the main line on a high level embankment, while old State highway route 5 underpasses the latter, runs for a short distance between the two railroad lines and then passes under the main

tracks. This paralleling wall formed a catch-all obstruction into which the locomotive and cars plunged as they left the rails. Moreover, the curious angle of the highway underpass presented a flat rock wall surface directly in the oblique path which the derailed equipment took. To the tremendous impact which resulted, is probably due the high degree of destruction to rolling stock and injury to occupants.

The "Lake Shore", listed as train No. 19, consisted of locomotive No. 5315, a J-1-C "Hudson"-type, built in 1931, and 15 cars coupled in the following order from the tender: 2 baggage-express cars; 2 coaches; 4 Pullmans; 1 diner; 4 Pullmans; and 2 coaches. All equipment was of standard construction with respect to weight and material. According to the conductor's count, a total of 114 coach passengers and 94 Pullman passengers were aboard.

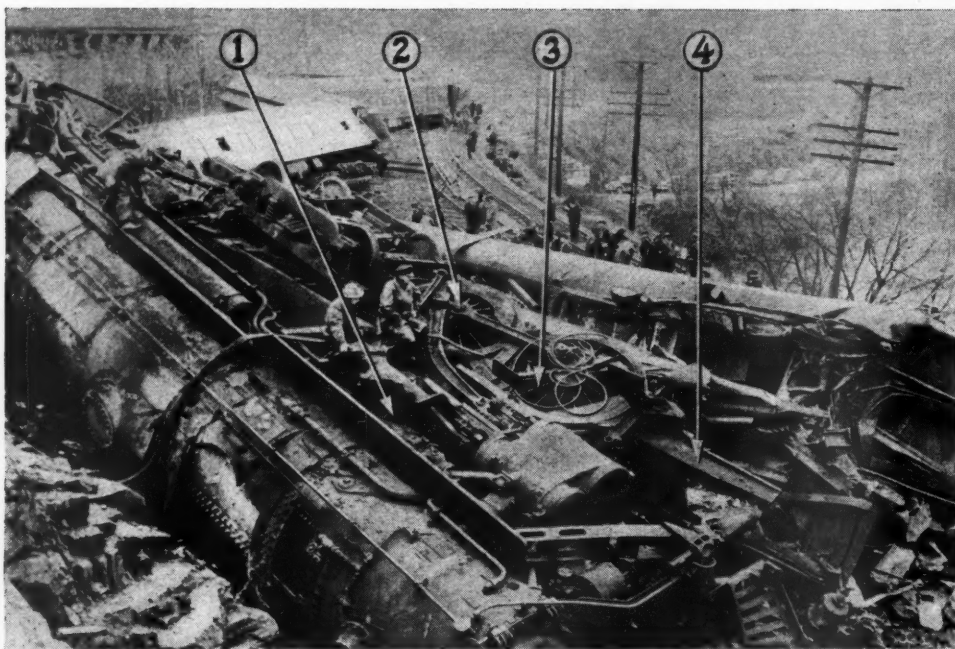
Train No. 19 was proceeding west on track No. 1, when at a point near the west end of the curve, the locomotive, for a reason not yet ascertained, careened from its path across the two freight tracks and crashed into the rock wall just beyond the highway underpass of the branch line; reared up and fell over against the slope of the cut with its pilot buried in the road-bed. By reason of the impact, the boiler either burst through the inertia of its water content or was punctured by project-

**Derailed Equipment Seen
From the Air**

Wreckers have already moved the first Pullman. The debris of the baggage-express car lies under and alongside the locomotive. One of its trucks can be seen directly under the crane boom.

N. Y. Daily News Photo





Locomotive and Cars Jam Against the Rock Wall

The locomotive buried its nose and reared up against the side of the cut while the second baggage-express car and second Pullman ploughed into its under-side.

Some terrific force caused the engine frame to double under itself as the arrows indicate: (1) front pair of drivers; (2) main drivers; (3) rear drivers; and (4) back extension of frame. Trailing-trucks are missing.

Acme Photo

ing rocks. The tender was jammed under the highway underpass. The fireman was thrown onto the highway pavement and the engineman was pinned in the cab; both were killed. A road foreman of engines riding in the cab was still unconscious at time of writing.

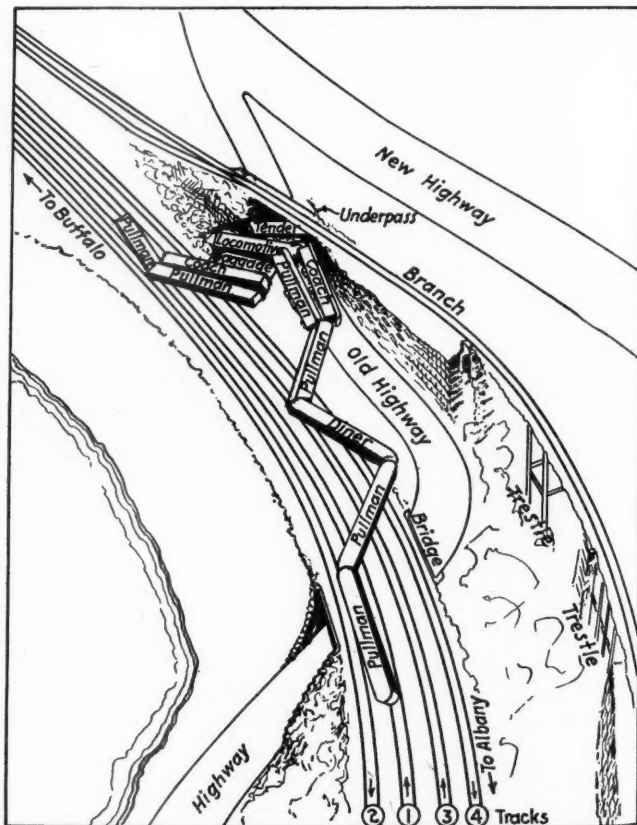
By a strange freak of matter in motion, the first baggage-express car was ripped free of the locomotive and following car and rolled on about 200 ft. down track No. 1 and was halted by the automatic air-brake. The employee aboard escaped without a scratch. The following six cars, however, followed the path of deflection taken by the locomotive. The second baggage-express car was crushed almost beyond recognition between the locomotive, a coach and a Pullman. It was in these cars that the greatest toll of life was taken. A following coach and Pullman crushed head-on into a stone wall pocket formed by the walls of the underpass. Behind these a Pullman, a diner and two Pullmans, in order, double jack-knifed across the right-of-way, ripping up the rails and road-bed for about 240 ft. This cradle action broke the force of momentum and presumably accounts for the fact that most of the occupants of these cars escaped serious injury. The diner was unoccupied. The remaining four cars (two Pullmans and two coaches) remained intact on the rails.

The work of emergency relief crews was greatly hampered by a driving rain which turned to snow and deep slush and by debris and fallen wires which blocked the road and right-of-way. The injury to wires also handicapped the operating department through interruption of direct communications. Since the Little Falls hospital had 37 of its 68 beds already occupied, emergency cots were set up in spaces left free both in the hospital and in a nearby hotel and parish-house. Wreck crews were sent east out of Utica and west out of Albany and reached the scene at about 12:45 a. m. They worked continuously for 24 hr. until 1 a. m., Sunday, returned to Utica and St. Johnsville for rest and resumed work at 8 a. m.

During the greater part of Saturday morning, crews worked with acetylene torches searching for the dead and injured before they attempted to move the derailed equipment. After track crews had re-built track No. 3, the cranes worked at the wreckage from either end setting up the cars on trucks whence they were hauled west to the Little Falls team-yard.

While the line was blocked, trains were diverted over the parallel two-track line of the West Shore on the opposite bank of the river between Schuylar junction (just east of Utica) and Rotterdam junction (west of Schenectady). Track No. 2 was opened at 12:45 a. m., Sunday, and train No. 36, the Genesee, was the first east-bound run to go through. Track No. 1 was opened by 2 a. m. and track No. 3 was opened for use by the cranes by early afternoon.

According to informed opinion, the cause of the wreck cannot be determined without thorough investigation.



Position of Derailed Equipment Immediately Following Accident—Diagram Shows How Embankment Served as a Trap



Masonry Wall Like This Formed a Deadly Target for Derailed Equipment. Looking West Under Dolgeville Branch Bridge Over Highway Along Roof of Coach

The official hearing opened in Albany on April 22 and the main facts of the first day's proceedings were made available to the press.

According to testimony of four surviving members of the train crew, including the conductor, the Lake Shore left Albany 21 minutes behind schedule and lost two additional minutes in the intervening distance to Gulf curve. It was reported that the continuous speed-indicator record installed on the locomotive (part of the valve-pilot mechanism) at no point showed a speed in excess of the 75 m.p.h. top limit of the Mohawk division. The last speed recorded was 59 m.p.h. The curve carries a 45 m.p.h. speed restriction.

Further testimony at the hearing brought out that a track-walker had inspected the curve a few hours before the wreck. A mechanical officer testified that the condition of the locomotive boiler showed clearly that the explosion was caused by the impact and did not precede it.

These Three Grade Separations Will Cost \$37,646,000

(Continued from page 740)

on two temporary tracks while a two-track embankment and the easterly halves of the street bridges are being built. As soon as two tracks have been laid at the high level, traffic will be shifted to these tracks to permit the opening of the Belt Parkway subway and completion of the embankment and the bridges.

All three of the projects described in the foregoing are being carried out under the general supervision of A. C. Watson, chief engineer of the Long Island and of the New York Zone of the Pennsylvania. John M. Nicholson, assistant to the chief engineer, has direct supervision over the design and construction work, while George R. Klein is the engineer in charge of the field work. All bridge and other structural design work is under the direct supervision of T. W. Pinard, engineer of bridges and buildings. Active co-operation in the planning and execution of the work is being extended by the New York State Transit Commission, of which William G. Fullen is chairman.

Conferees Conclude Work on S. 2009

WASHINGTON, D. C.

CONFEREES on S. 2009 concluded their work on that omnibus transportation bill April 19, and Senator Wheeler, chairman of the Senate committee on interstate commerce, announced that the controversy over the Harrington "labor-protection" amendment had been resolved in an agreement to strike from the bill all provisions relating to railroad consolidations. The final conference report was first expected to have been signed on Wednesday, but the amount of work involved in whipping the document into shape and the absence of some of the conferees combined to defer that ceremony until Thursday, or perhaps Friday.

Meanwhile, it was stated that no draft of the conference report nor official statement reviewing it would be made public until every member of the conference committee was on the dotted line. Thus the only public pronouncements subsequent to April 19's final session have been the aforementioned announcement from Senator Wheeler and an address delivered in New York this week by Conferee Truman, Democratic Senator from Missouri.

With reference to the elimination of the bill's consolidation provision and the Harrington amendment, which took the form of an amendment to those provisions, it is understood that the last few meetings of the conference committee were devoted in large part to consideration of the Harrington amendment, which was sponsored by the Brotherhood of Railroad Trainmen, and a proposed substitute therefor suggested by representatives of some of the other railroad labor organizations. The substitute provision would have been designed to protect employees who are laid off as a result of railroad substitutions of highway service for rail service. Senator Wheeler said he thought something should be done along that line, adding that he would try at some future time to work out some protection for employees thus affected; but it could not be done at this time.

I. C. C. Consolidation Plan Remains

Previously the Montanan had revealed that the conferees "tried for days" but were unable to agree upon provisions for the protection of labor. Thus the decision to drop the consolidation provisions, which action, he said, removed the occasion for the Harrington amendment, designed as it was to protect labor affected by the working of such provisions. It will be recalled that the bill's consolidation provisions had undertaken to repeal existing provisions of the Interstate Commerce Act, which require the Interstate Commerce Commission to formulate a consolidation plan, and to substitute language which would have permitted the consummation of mergers upon a commission finding that they would be consistent with the public interest. The Senate version had what had been regarded as the workable "labor-protection" provision giving the I. C. C. power to condition its approval of any consolidation upon the inclusion of fair and equitable conditions for the protection of affected employees; whereas the Harrington amendment (a provision of the House Bill) stipulated that the I. C. C. must not approve any consolidation which would result in unemployment or displacement of employees or in impairment of any individual's existing employment rights.

It is understood that while the railroads wanted new

consolidation provisions like those of the Senate bill, they nevertheless preferred no change in the present law if they had to take the Harrington amendment. There is respectable authority for the view that the proposed change in the consolidation provisions would not have meant much anyway, since the I. C. C. has been disposed to modify its consolidation plan to fit any proposed merger which it found to be in the public interest. In the latter connection, Commissioner Mahaffie recently told a round-table conference sponsored by the Savings Bank Journal that in his opinion "undue importance is attributed to this commission plan." "The commission," Mr. Mahaffie went on, "has been very free to modify that plan to any such showing as, if the plan were not in existence, would justify authorizing a combination of railroads. We did that as recently as a few months ago in the Mobile & Ohio and Gulf, Mobile & Northern case. If go-ahead signals are all that is desired, probably that might be considered such a signal. There was a merger of two Class I railroads which the commission authorized and which I understand is now being carried out. The plan had no retarding effect. It required an application and a short hearing to decide it was best to modify it."

A "Good Bill," Says Wheeler

After announcing the elimination of the consolidation provisions, Senator Wheeler proceeded in his April 19 interview with representatives of the press to talk about the bill generally, and the work of the conference committee. "I think, he said, "we've got a good bill with provisions, which, in my judgment, are fair to the water carriers. The conferees have leaned over backwards to protect the interests of the water carriers, and the same is true of the motor carriers. Mr. Eastman (Chairman Eastman of the I. C. C.) said in a recent speech that if this legislation passed, the commission would feel bound to promote all forms of transportation instead of continuing what the Supreme Court said after the passage of the 1920 act, i.e., assuming fostering guardianship of rail transportation. This has been one of the longest and most tedious jobs that I've ever undertaken in my 17 years in the Senate. Everyone on the conference committee, regardless of their politics, has worked conscientiously to protect the public interest. There has been no sectionalism or partisanship in the committee at any time."

Also, Mr. Wheeler indicated that he did not expect the elimination of the Harrington amendment to put the B. of R. T. in opposition to adoption of the conference report—in view of the fact that the bill's consolidation provisions were eliminated also. There was no indication when this issue went to press as to when the conference report will be brought up in Congress. If the usual practice were followed it would come up first in the House where it is a privileged matter, eligible to be called up by Conferee Lea, chairman of the House committee on interstate and foreign commerce, at any time after 24 hours have elapsed from the time of its filing; only one-hour's debate is allowed. However, there have been some intimations to the effect that the report will be called up first in the Senate where such a measure is also a privileged matter, although there is no limit on debate.

Confirming reports that the conferees would not undertake to deal with the regulation of freight forwarders in S. 2009, Mr. Wheeler said that the pending bills to deal separately with that matter would be taken up by the committee on interstate commerce as soon as possible after Congressional action on the conference report is completed. Introduction of these forwarder-regulation

bills was noted in the *Railway Age* of March 30, page 583. Likewise the introduction of separate bridge bills evidently means that the conferees eliminated from the omnibus bill the so-called bridge provisions designed to relieve the railroads with respect to the cost of rebuilding bridges required to be altered in connection with waterway improvements. The bridge bills are H. R. 9381, introduced by Representative Hobbs, Democrat of Alabama, and S. 3829, introduced by Senator Truman. As pointed out in recent issues, this Truman-Hobbs bill passed last year only to get a Presidential veto; and the conferees were disposed to omit the bridge provisions from S. 2009 unless they were assured that the President's attitude had changed.

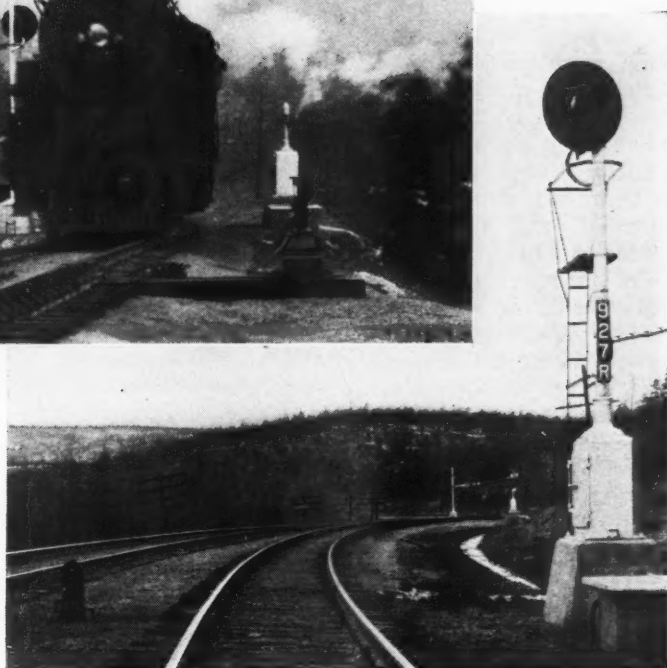
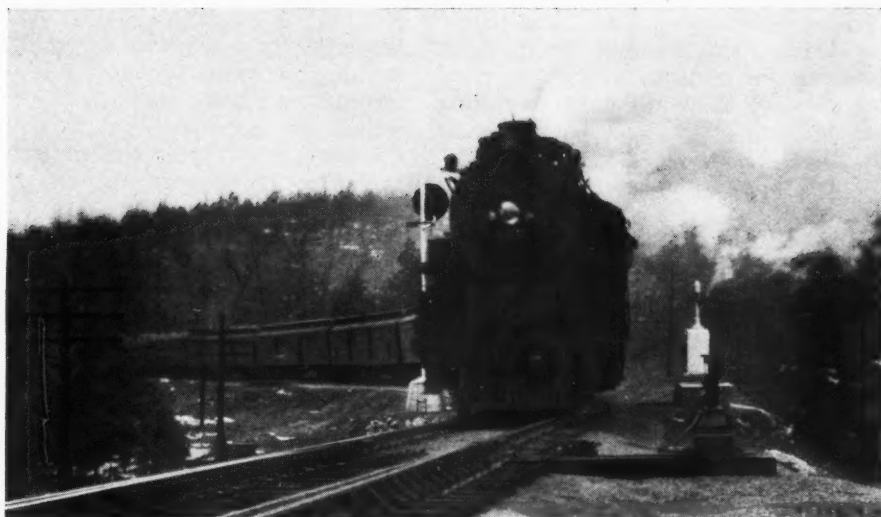
Aside from that in connection with the consolidation provisions the only announcements made by the conferees as their meetings progressed were those which revealed that the fourth section had been changed and that the conference report would embody the Senate bill's provision calling for appointment by the President of a board to investigate the relative economy of the various agencies of transportation and the extent to which each is being subsidized out of public funds. The change in the fourth section was outlined in the *Railway Age* of February 10, page 289. Briefly, it repeals the equidistant clause, makes remaining provisions applicable to water carriers as well as railroads and includes a proviso designed to expedite procedures in connection with applications for relief from the long-and-short-haul clause.

House Amendments Out

Unofficial reports leaking out from time to time have indicated in addition to the foregoing that the through-routes provisions have been included in a compromise form which undertakes to give some measure of protection to an originating carrier's long haul. Also, it is understood that other amendments put in, as was the Harrington amendment, when the House version was being considered in committee of the whole have been eliminated. These included the so-called Wadsworth amendment which, like the Miller amendment in the Senate bill, would have directed the I. C. C. to permit any carrier to reduce its rates so long as the remaining charge remained compensatory after taking into consideration all elements of cost, including overhead. Also, the so-called Jones amendment to require the I. C. C. to prescribe export rates on agricultural products on the same relative basis as it permits the railroads to publish export rates on manufactured articles.

Furthermore, it may be assumed from the "leaned-over-backwards-to-protect-the-interests-of-the-water-carriers" talk that the conference report will embody the more liberal exemptions for contract carriers by water which were contained in the House version. With respect to those provisions of the House version which were designed to liberalize Reconstruction Finance Corporation lending to railroads, Senator Truman indicated in his aforementioned New York speech, that they will be in the final bill. He also indicated that the provisions for repeal of land-grant rates had been retained—with conditions continuing the application of land-grant reductions on shipments of military supplies, and requiring the railroads to return to the government any granted land now held and not used for railroad purposes. Finally, it has of course long been known that the bill will reject the Senate's "codification" idea and take the House version's form of amendments to the present Interstate Commerce Act, including a new Part III for the regulation of water carriers.

Right — Northbound Train Approaching Spring Switch. Lower Right — The Dwarf Signal 7L and High Signal 7



“Running” Passing Tracks Save Train Stops

THE single-track main line of the Missouri Pacific between St. Louis, Mo., and Poplar Bluff, on the route to Texas, passes over two major divides in the Ozark mountains, one at Tip Top and the other at Gads Hill. At each of these locations, a passing track extends over the crest of a divide, with the entering switches on ascending grades.

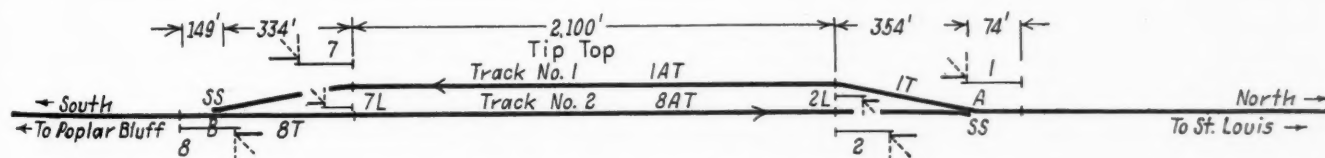
In approaching the crest of either of these divides, the line ascends on grades ranging from 1.5 to 2 per cent for distances of four to six miles. Train operation is further hampered by numerous curves, ranging up to 8 deg. The speed at which trains can be operated when either ascending or descending the grades therefore, is limited. For these reasons, the time required for a train to climb a grade and descend, totals about twice that which is required for the same mileage on normal grade conditions where the maximum authorized speed is 55 m. p. h. On account of these time-distance results, the passing tracks of necessity are located at the crests of the divides so that while a train is ascending one side of the mountain an opposing train can ascend the other side, thus eliminating a serious delay to the second train, providing a potential meet should be made in that interval.

This division regularly handles five passenger trains

High-speed turnouts with spring switches and signals reduce delays at meeting points on single track on Missouri Pacific

and two fast merchandise freights in each direction daily, as well as a local freight train each direction daily except Sunday. Extra sections of the passenger trains are operated almost daily. During recent years, as the through passenger and merchandise trains became heavier, increasing difficulty and delays were encountered in starting trains on the ascending grades after stopping them to permit the hand-throw switches to be operated.

To facilitate meets at these sidings, several improvements were made: (1) The passing track was reconstructed to meet the requirements of standard main tracks. (2) No. 20 frogs were installed, thereby permitting a speed of 30 m. p. h. when a train is going from the single track to the double track or vice versa. (3) Spring switch mechanisms were installed at each switch, with the switches set normally to divert a train from the single track to the right-hand track of the siding layout, permitting trains to enter or depart without stopping for the manual operation of a switch. (4)



Track and Signal Plan Through the Tip Top “Running” Siding

Automatically-controlled signals were installed as shown in the diagram to direct trains to pull through the siding, or, when waiting for a meet, to stop short of the departing signal, in which location the major portion of a train is on the descending grade so that it can be started easily.

The new arrangement of tracks, switches and signals permits a passenger train to take siding from 8 to 12 min. more quickly and a freight train from 10 to 15 min. more quickly than previously when hand-throw switch stands were in service. When one of the trains involved in a scheduled meet is running late, the saving in time made possible by the new arrangement benefits both trains. Furthermore, when trains are off schedule or when extra trains are operated, the ability to advance trains to Tip Top and get them in the clear in 10 to 15 min. less time than previously may save 30 min. or more train time, for if a train can be advanced to Tip Top for a comparatively close meet, very little time is lost in waiting. On the other hand, if the train took siding at the bottom of the grade it would have to wait much longer for the opposing train to pass and would then have to climb the grade, creating 30 min. or more delay.

Another consideration is that a train which takes siding can depart from five to eight minutes more quickly than was previously the case when a stop had to be made to close the switch by hand. The length of double track between clearance points is 2,100 ft. at Tip Top and 3,374 ft. at Gads Hill, and, therefore, if on close time, two passenger trains can meet without either train stopping.

Construction of Switch Layouts

Rail of 112-lb. section is in service through the switch layouts. As a part of the improvements, No. 20 frogs were installed. The switch points are 30 ft. long and, in order to prevent bending and whipping in spring-switch service, these points are each reinforced with a 1 $\frac{1}{4}$ -in. by 4-in. bar on the gage side, held in place by $\frac{3}{4}$ -in. bolts. Insulated gage plates 1 in. thick and 9 in. wide are used with fixed rail braces on four ties, including the tie ahead of the points and the first three ties under the points. In order to prevent lost motion, two of the tie plates extend and are attached to the switch stand mechanism. Ramapo Ajax No. 100A mechanisms are used, the spring mechanism and oil buffer being contained in the cast-iron housing which forms the base of the stand.

Signaling Changes and Additions

The semaphore automatic block signaling on this line had been in service since 1908, and there were not enough signals to signal the new arrangement. Therefore, as a part of the changes and additions, the semaphore signaling was replaced with searchlight type color-light signals. This change, including the additional signals at the siding layouts, involved 8.8 miles of line, including 10 new signals through the Tip Top layout, and 10 miles of line, including 12 new signals through the Gads Hill layout. When making the changes, the new signals at the siding layouts were located as shown in the accompanying plan and the signals on the single-track main line were spaced on the basis of 6,000 ft. train-stopping distance on level tangent track, allowances being made for ascending and descending grades, curves, etc.

The signals for directing train movements through these passing siding layouts each display three aspects, red, yellow and green, and are controlled automatically, depending on the occupancy of the blocks and the nor-

mal position of the switches. A separate switch circuit controller is connected to each switch point at each switch. A switch-repeater relay for each end of the layout is normally energized by a circuit through each switch circuit controller and through a front contact of the track relay of the section, such as 1T.

The station-entering signals, No. 1 and No. 8, are high signals. Signal No. 1, for example, displays the red aspect if switch No. A is not in the normal position, or if the block between signals No. 1 and No. 7 is occupied. Signal No. 1 displays the yellow aspect if switch No. A is normal and signal No. 7 is displaying the red aspect. Signal No. 1 displays the green aspect if both switches are normal and two or more blocks are unoccupied. The station-leaving signals, No. 2 and No. 7, are high signals and are located opposite the clearance points for the respective tracks. The control circuits of one of these signals, as, for example, signal No. 7, checks the normal position of spring switch No. B as well as the occupancy of the two automatic blocks ahead.

The two dwarf signals, No. 2L and No. 7L, direct train movements in instances in which it may be neces-



Spring Switch Layout at the South End of Tip Top

sary to run trains in the reverse direction in the passing track layout. Ordinarily the layout is used for meeting trains only, but, in emergencies, one train can pass another. For example, if a southbound local freight train is to take siding to let a southbound passenger train pass, the local freight would stop short of signal No. 1 while the switch was reversed manually; then the train would pull in on track No. 2 but it would stop and wait short of Signal 7L. After the train is in the clear, the switch would be returned to normal by hand and signal No. 1 would then display the green aspect for the approaching southbound passenger train. While the passenger train occupies section 1AT on track No. 1 of the siding layout, Signal 7L for track No. 2 displays the red aspect to hold the freight train at that signal. This control feature also prevents the possibility of a southward train on track No. 1 accepting a green aspect on signal No. 7L, if the lamp in signal No. 7 is burned out. After the southbound passenger train runs through the layout on track No. 1 and has departed to clear one block, signal No. 7L displays the yellow aspect, and when the receding train clears the second block, signal No. 7L displays the green aspect. The southbound freight on track No. 1 may proceed when the yellow aspect of signal No. 7L is displayed.

The new searchlight type color-light signals are General Railway Signal Company's Type SA equipped for operation on four volts direct current. The signal lamps are lighted by approach control circuits. The installations were planned and installed by signal department forces of the Missouri Pacific, the major items of signaling equipment being furnished by the General Railway Signal Company.

Truck Revenues May Be 2 Billion

L. W. Horning, A. A. R. Eastern research head, finds over-the-road trucks taking in from ½ to ¾ as much as railroads

THE American public in 1938 certainly paid not less than 1.6 billion dollars (and probably well over 2 billion dollars) for "over the road" motor truck transportation. These payments include only the charges collected by "over the road" for-hire truck operators, and the value of the service rendered by privately-operated long-distance trucks. They do not include the many millions also paid by the public for "over the road" truck transportation in the form of tax contributions to highway expenses over and above the fees for highway use collected from truck operators.

Local Trucks Not Included

These computations of the economic importance and cost of truck transportation were made by L. W. Horning, Eastern Regional Director, Competitive Transportation Research, of the Association of American Railroads. In an interview with a *Railway Age* representative, Mr. Horning made it clear that his estimate does not include local and short-haul truck transportation, but only that for distances of 20 miles and upwards—in other words, truck transportation of exactly the same kind as the railroads provide; and largely competitive with the railroads.

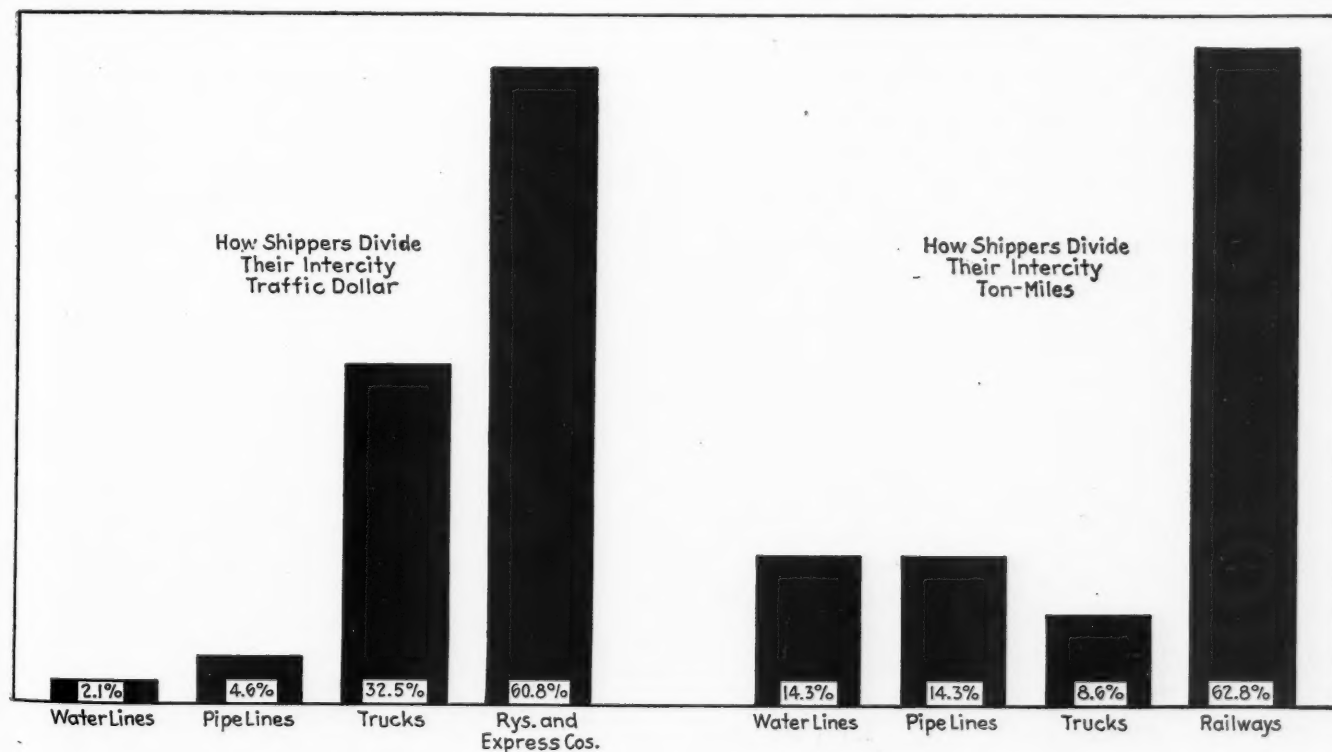
"Railroads of all classes in 1938", said Mr. Horning, "had freight operating revenues totaling 2,858 million dollars, and trucks providing the same kind of long-distance transportation service had revenues of not less than 1,600 millions and probably well over 2,000 million—in other words, from 56 per cent as a minimum to perhaps as much as well over 70 per cent freight revenue as that

paid to the railroads. Indeed, one reputable authority calculates the sums spent for 'over the road' truck service at 3 billion dollars, or actually more than that of the railroads.

"The Interstate Commerce Commission in its recent annual report estimated 1938 traffic of 'over the road' trucks at less than 14 per cent, measured in tons, as much as the traffic handled by the railroads. Too many people are inclined to take such a figure as a measure of the relative importance of truck transportation, when, as a matter of fact, the economic significance of no commodity or service is ever shown merely by its weight. It is dollars and cents which gage the significance of economic factors—and it is only dollars and cents which accurately reflect what 'over the road' truck competition means to the railroads. Virtually all of this 1,600-plus million dollars of truck revenue represents traffic once handled by the railroads, and a large part of which could still be handled economically by rail.

Turning Back the Hands of the Clock

"In an age of mass production, when all economists agree that a rising standard of living depends upon greater output per worker, so that there may be a resulting larger quantity of goods per worker when it comes to consumption—in the field of transportation we see exactly the opposite tendency at work. More and more traffic is leaving the mass transportation agency, which maximizes production per employee, and is returning to a 'household manufacture' era which we thought we had left behind us a century ago. And this 'retail' type of



transportation has become so important that, quite apart from its natural and proper function of providing local transportation service and collection and delivery, it has now invaded the 'wholesale' long-distance field and is doing anywhere from 56 to over 70 per cent as much business in that field as the established 'wholesale' producer.

"An adequate appreciation of just how big 'over the road' truck transportation is ought to give concern, not only to railroad men, but to economists and public men. Is this an 'infant industry' any more which needs to be nursed along with subsidies from the general taxpayers? Is the national wealth and income going to be increased by taking more and more of our transportation away from an agency where five men can move 2,000 or more net tons, and turning it over to a newcomer where one or two men move on the average less than 4 tons. Such a development may help 'share the wealth', but it doesn't look like a very effective way of enlarging the wealth to be shared."

The accompanying table shows Mr. Horning's calculations of how the long-distance (i. e., over 20 miles)

How Long-Distance Traffic Is Divided—Economically and Physically

Transportation Agency	Freight Rev. (000)	% of Total	Ton-Miles (000)	% of Total	Average Rev. per ton-mile
Steam Railways, Class I	\$2,858,077 ¹	58.2	290,084,371 ¹	62.3	\$0.0098
Class 2 and 3	.....	.....	1,782,039 ²	.4	.....
Electric Rys.	17,584 ³	.4	643,590 ³	.1	.0273
Express Cos.	110,076 ⁴	2.2	.....	.....	.....
Water Lines	104,270 ⁴	2.1	66,746,000 ⁴	14.3	.0016
Pipe Lines	228,211 ⁴	4.6	66,400,000 ⁴	14.3	.0034
For-hire Trucks	700,000 ⁵	14.2	17,500,000 ⁵	3.4	.0400
Private trucks	900,000 ⁷	18.3	22,500,000 ⁶	4.8	.0400
All intercity trucks	1,600,000	32.5	40,000,000	8.6	.0400
Grand Total	4,918,217	100	465,656,000	100	.....

¹ From the Yearbook of R. R. Information, 1939 Edition.

² From 53rd Annual Report of I. C. C.

³ From I. C. C. Reports.

⁴ From 53rd Annual Report of I. C. C., p. 16.

⁵ From 53rd Annual Report of I. C. C., p. 16, based on Class I motor carrier reports with allowance for smaller motor carriers.

⁶ Truck ton-miles estimated on basis of revenues and revenue per ton-mile reported to I. C. C., with allowance for carriers not reporting. From I. C. C. 53rd Annual Report, p. 17.

⁷ By assuming that the revenue or charges to transportation expenses of private intercity trucks are the same per ton-mile as for-hire carriers.

freight traffic of the country was divided among the various transportation agencies in 1938—from a standpoint of relative economic importance, as well as from that of weight and distance. The calculation of "over the road" truck revenues used in this table is that reached by adopting the most conservative estimates.

How the Horning Estimates Were Prepared

A memorandum prepared by Mr. Horning, showing the information and its sources and calculations by which he arrived at his estimate of "over the road" truck ton-mileage and revenues, follows:

Vehicle-miles of travel of "all motor vehicles" in U. S. in 1936—249,778,900,000. (Estimated by Public Roads Administration and based upon road use surveys in 17 states).

Vehicle-miles of travel by "trucks of all kinds" in 1936 estimated by Public Roads Administration—46,329,700,000.

Based upon the above, the P. R. A. has estimated 1938 travel as follows:

Vehicle-miles by all trucks (1938)	50,962,670,000
Vehicle-miles by trucks on city streets	16,610,000,000
Vehicle-miles by trucks on rural roads and trans-city connections en route	34,352,670,000

This we accept for the moment as being the best available figure on the mileage of inter-community trucks, private and for hire.

The state-wide highway planning surveys reveal that of the truck-mileage on rural roads and trans-city connections enroute,

11,645,555,130 vehicle-miles were operated by trucks traveling a distance of no more than 20 miles. This figure we deduct from 34,352,670,000 and thereby arrive at the figure, 22,707,114,870, for vehicle-miles operated by inter-community trucks for distances in excess of 20 miles and therefore giving service comparable, and largely competitive, with the railroads.

The planning survey figures also reveal that 29 per cent of the truck-mileage is "empty mileage;" therefore, since 29 per cent of 22,707,114,870 is 6,585,063,312, we deduct that number and arrive at the figure 16,122,051,558, for loaded vehicle miles operated by trucks of all kinds in inter-community service in 1938 for distances exceeding 20 miles.

The planning survey figures also reveal that the average load in tons per truck is 3.13 tons and this is based upon figures for 957,000 loaded trucks.

Therefore, to arrive at the truck ton-miles comparable and competitive with the railroads we multiply 16,122,051,558 by 3.13 and arrive at the figure, 50,462,021,376 truck ton-miles.

To arrive at the revenue of these trucks in competition with the railroads it is, of course, necessary to know what the ton-mile revenue is and this is a figure almost impossible to obtain. However, of the trucking companies reporting to the Interstate Commerce Commission in 1938, sixty-three of them reported in a manner revealing the ton-mile revenue figure. These 63 trucking companies handled 518,320,000 revenue ton-miles, with a gross freight revenue of \$22,123,000. The average revenue per ton-mile of these companies was therefore 4.27 cents.

What Do Trucks Earn Per Ton and Per Mile?

This figure, however, based as it is upon a small sample can hardly be assumed to represent the true ton-mile revenue figure of all trucks. The actual figure may be anything from 2 cents to 5 cents per ton-mile so in the following table we ascertain what the total revenue would be on each basis:

@ 2¢ per ton-mile revenue would be	\$1,009,240,000
@ 3¢ per ton-mile revenue would be	1,513,860,000
@ 4¢ per ton-mile revenue would be	2,018,480,000
@ 5¢ per ton-mile revenue would be	2,523,100,000

Another way to use the Public Roads Administration figures to obtain the revenue of trucks competing with the railroads would be to figure their revenue on the truck mile rather than the ton-mile basis. This we do in the following table applying to the total mileage (22,707,114,870) figures ranging from 10 cents to 15 cents per truck mile.

@ 10¢ per truck mile revenue would be	\$2,270,700,000
@ 11¢ per truck mile revenue would be	2,497,770,000
@ 12¢ per truck mile revenue would be	2,724,840,000
@ 13¢ per truck mile revenue would be	2,951,910,000
@ 14¢ per truck mile revenue would be	3,178,980,000
@ 15¢ per truck mile revenue would be	3,406,050,000

It will be noted that in making the above calculations we used the total mileage (both loaded and empty) of the trucks engaged in inter-community service and operated for distances greater than 20 miles.

Logic seems to indicate, to us at least, that the figure 10 cents per truck-mile is conservative and, by the same token, that to use anything less than 4 cents per ton-mile is likewise too conservative and, as bearing upon the latter, please note the following table:

Commodity	Per cent of Total Loaded Truck Miles	Avg. Length of Loaded Truck Trips	Railroad Gross (1938) Frt. Revenue	Per cent of Railroad Gross Frt. Revenue
Products of Agriculture	16.11	177.46 miles	\$527,272,319	19.29
Animals & Products	11.69	122.32 "	161,086,165	5.89
Products of Mines	2.63	59.13 "	795,964,452	29.12
Products of Forests	2.55	69.85 "	172,854,450	6.32
Mfrs. and Miscellaneous	67.02	165.70 "	1,076,458,053	39.38
Total	100.00	.....	\$2,733,635,419	100.00
Mdse. all L. C. L. Frt.	.....	.....	240,501,670	.....
Total Rail Frt. Revenue	.....	.....	\$2,974,137,089	.....

The above figures revealing how truck traffic is divided among the various classes of commodities are the result of information developed by the state-wide highway planning surveys. Note that whereas only 39.38 per cent of the rail revenue resulted from the transportation of the higher rated commodities (manufactures and Miscellaneous) that 65.58 of the loaded truck-miles were made in handling them and we assume that their revenue is in proportion thereto. The fact that such a large part of the

truck traffic is represented by the so-called "cream" of the traffic seems to indicate that it may not be far out of line to estimate their ton-mile revenue at 4 cents where ton-mile revenue of the rails is about 1 cent.

Any consideration of this subject must also involve the question "How many trucks, private and for hire, are in competition with the railroads?" Various estimates have been made, as for example, the Co-Ordinator, by the questionnaire method developed information, which he thought afforded him a basis for saying that 20 per cent, approximately, of all trucks registered at the time were engaged in inter-city business in competition with the railroads.

In a letter from the Public Roads Administration to us, it is stated that all trucks in the U. S. traveled an estimated 50,962,670,000 miles in 1938.

44.6 Per Cent of Truck-Mileage is Long-Haul

This estimate is based upon gasoline consumption. As previously pointed out herein, we have found that of the total mileage 22,707,000,000 miles, or 44.6 per cent of the total, were operated by trucks giving service comparable to and in competition with the railroads. It may be true that 20 per cent of the total trucks may operate 44.6 per cent of the mileage, but we doubt it. We prefer to believe that 30 per cent rather than 20 per cent of the trucks may operate 44.6 per cent of the mileage. At least we believe 30 per cent to be more nearly correct than 20 per cent.

On this basis, inasmuch as in 1938 there were 4,224,031 trucks registered in the United States, we find that 1,267,209 trucks, or 30 per cent of the total, is the number engaged in inter-community service competitive with the railroads.

Since the total mileage of said trucks was 22,707,000,000 miles we find (dividing this figure by 1,267,209) that the average yearly mileage per truck would be 17,919 miles.

From information obtained by the P. R. A. in the planning surveys at loadometer stations, it is found that the average distance traveled per truck trip (loaded and empty) is 129 miles. On this basis the average number of trips per truck per year would be 139. (17,919 divided by 129).

As indicating that all these figures appear to be conservative, we point to the following statement of Arthur F. White, Director, I. C. C. Bureau of Statistics, made before the Accounting Advisory Committee of the Association of American Railroads in Washington, D. C. on May 9, 1939:

"A preliminary check of the reports of 815 Class I motor truck operators showed total freight revenues for the year 1938 of about \$280,000,000. These reports represent about one-third

of the total freight revenues of all truck operators under the jurisdiction of the I. C. C. Having in mind tests made by the California Highway Commission and the U. S. Bureau of Public Roads show less than 15 per cent of the total highway truck mileage is performed by for-hire operators, it seems apparent that the transportation revenue value of all traffic handled by common, contract and private truckers exceeds \$3,000,000,000 a year, which is about the total annual freight revenue of all the railways."

L. & N. Modernizes and Rebuilds 1,200 Box Cars

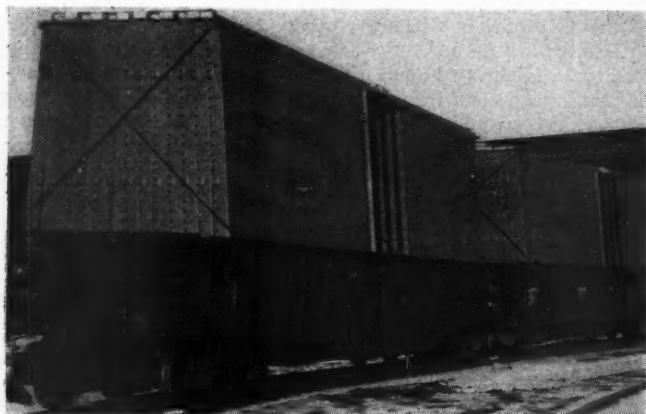
THE Louisville & Nashville is meeting the requirements of its shippers for adequate and efficient box cars by a large scale equipment modernization program in its own shops. This program embraces the conversion of a large number of steel-underframe, single-sheathed, 50-ton box and automobile cars having relatively small bodies, built in 1924 and after, to steel-sheathed box cars of modern design and dimensions.

The first step was undertaken a year ago when 200 single-sheathed automobile cars, series 49,000 to 49,999, were converted to steel-sheathed box cars. The satisfactory performance of this first lot of cars, coupled with the demand for cars of this type and the economy of this method of acquiring modern equipment, led to the conversion of 1,000 additional cars, work on which was begun in December, 1939.

The assembly line method of production was adopted, the cars moving down two lines of track after being first dismantled of their superstructures. Corrugated-steel end extensions to provide for the additional height were applied; new fully assembled steel sides were then riveted into position and new solid galvanized-steel roofs and steel running boards were applied. Necessary repairs were made to the steel underframe, cast-steel U-section truck sideframes, etc., which conformed to A.A.R. recommended practice when the cars were built. The car was then lined, the outside of the roof given a coat of cement and the car painted and stencilled; it was then



One of 1,200 L. & N. Box Cars Completely Rebuilt and Modernized at South Louisville Shops



Method of Loading Prefabricated Youngstown Steel Sides for Shipment to the Railroad Company's Shops

ready for service as a modern, steel-sheathed box car with large body, meeting all specifications and requirements for A.A.R. rebuilt box cars. They were turned out of the shops at the rate of 13 per day, or one car every 37 minutes.

The inside length of the cars remained the same, namely, 40 ft. 6 in., but the inside width was increased from 8 ft. 6 in. to 9 ft. 2 in., and the inside height from 8 ft. 6 in. to 10 ft. 0 in., thus increasing the cubic capacity from 2,926 cu. ft. to 3,713 cu. ft., or almost 27 per cent. This increase in car width, utilizing the same underframes, as well as the reconstruction of the cars in com-

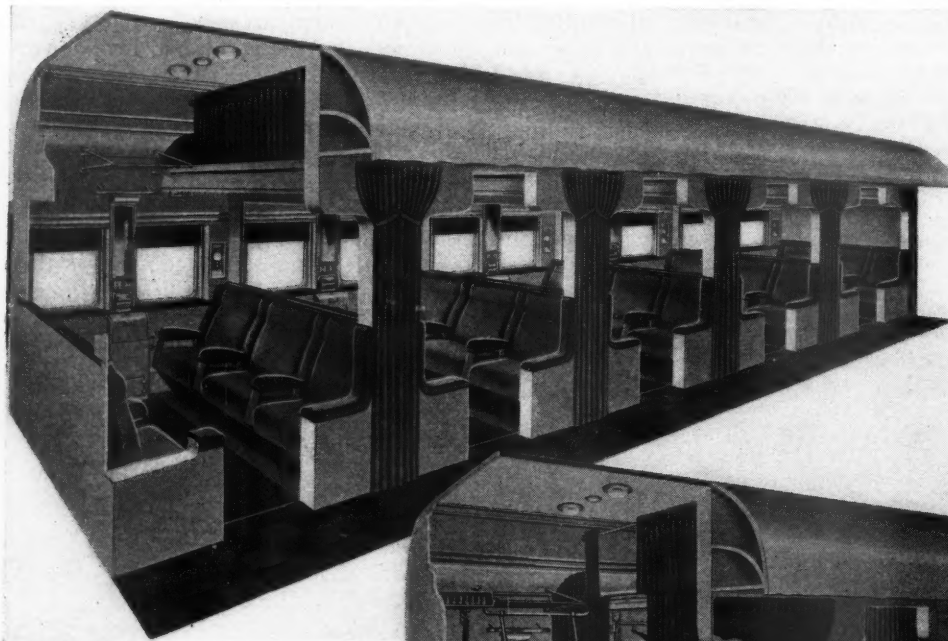
pany shops, was made possible by the use of prefabricated Youngstown steel sides. The corrugated steel ends were extended, as described, to give the required height, and Murphy steel roofs were assembled in the shops and applied as a unit.

Other modern appliances used on these cars include Youngstown steel doors with Camel roller-lift fixtures, Apex metal running boards and brake steps, Miner and Ajax geared hand brakes, and Type-AB air-brake equipment.

Pullman Develops Popular Price Accommodation

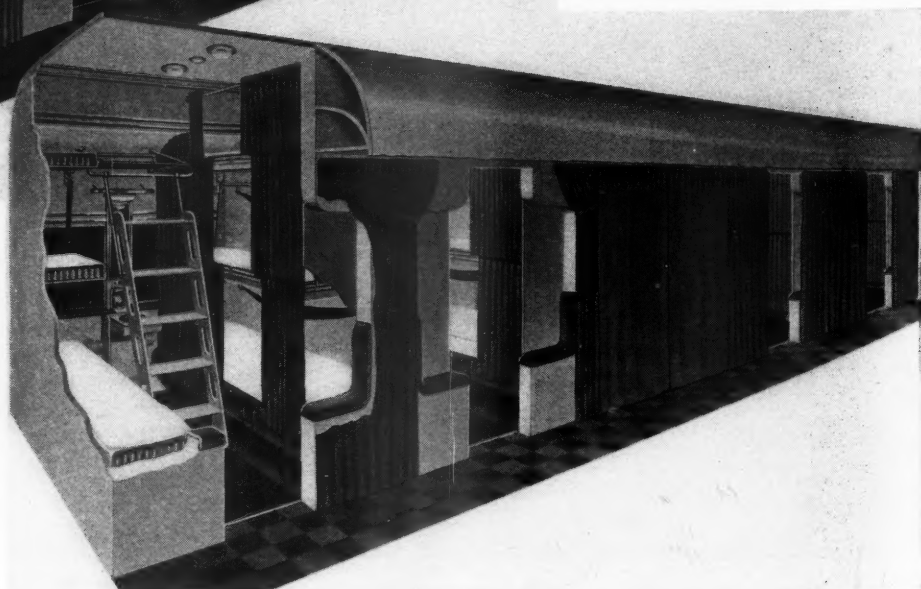
THE triple-deck coach-sleeper has been developed by the Pullman Company as an appeal to "economical travelers who want a real sleeping service at minimum charges for both transportation and the reserved accommodation." Two of these cars, "comparable to the best of the deluxe coaches in daytime comfort, and furnishing at night what they lack, the Pullman bed", will be placed in experimental service in June and will be tried out on several railroads in various sections of the country.

Each car contains 10 compartments located on one side of the car. Five of these compartments have seating and sleeping accommodations for three persons each and the remainder accommodate six persons each, or a total of 45 persons per car. The larger compartments have



The Open Double Compartments Seat Six Persons in the Daytime

Three Berths Are Made up on Each Side of Each Compartment at Night



the same facilities as the smaller being, in effect, two three-person compartments with three seats on each side, facing each other, and no separating partitions.

During day travel, passengers occupy upholstered seats, adjustable as to the slope of the backs and the height of the seat. Arm rests separate the three seats in each unit, and at night the two arm rests are folded into the seat. Individual foot rests aid comfortable day lounging.

The berths are in three tiers. The lower is formed by the seat back, similar to the bedroom couch bed. The upper berth is stationary, the bottom being well above the head of a tall person. The second, or intermediate, berth is a new development. It is raised against the upper during the day, and at night is lowered midway between the upper and lower, and forms a partition between compartments.

Each berth has individual curtains; also a shelf and a hammock for clothing and other belongings. A ladder is so placed that occupants of the two higher berths may ascend or descend without disturbing their compartment neighbors.

Each compartment is equipped, at the window end, with a wash basin, hot and cold water, a dental faucet, a mirror adequately lighted for toilet purposes, and an electric shaving outlet. The basin folds closely to the car's outer wall and is locked in position. In addition to these facilities there are washrooms and toilets for men and women, at opposite ends of the car. A baggage compartment gives extra storage space for luggage.

Aisle curtains will be drawn across compartment entrances during dressing periods. At night, when all passengers have retired, these curtains can be drawn back, as in daytime, for circulation of air.

Folding seats are placed along the aisle wall of the car opposite each compartment entrance, for the convenience of those awaiting the making down or putting away of the berths. The coach-sleepers are air-conditioned, and at night each berth has a fresh air inlet, individually controlled. The lighting system illuminates each seat, and there is a reading lamp in each berth. The Pullman coach-sleepers are decorated with attractive colors and fabrics.

Communication . . .

Senator Bailey Clarifies His Views on Waterways

WASHINGTON, D. C.

TO THE EDITOR:

Having seen two editorial paragraphs on the subject of my remarks to the Rivers and Harbors Congress, I am enclosing an extract from those remarks in order that you may see that I took pains not to advocate the tax on ships for the use of harbors or canals. I was content to say that high authorities were proposing this, and that excessive expenditures would bring on a greater demand for this tax and others.

I am not abandoning, by any means, the federal policy of improving our harbors and waterways. I am advocating a more cautious and conservative policy with a view to preventing excessive expenditures and the inevitable reaction which such expenditure would bring on.

In the Committee, I voted against the Tombigbee proposition, but I voted to report out the bill after the Committee had approved the Tombigbee proposition. I did not wish to vote against all the other projects merely because the Tombigbee project was included with them.

I regret to see that you referred to those with whom you differ in this matter as "spendthrifts" and "pork barrel" people. This does not tend to make friends for the railroads. There is a perfectly legitimate field for the federal government in the matter of river and harbor improvements, of waterways in general, and of flood control. The policy has been maintained since 1818. What, for example, would become of the railroads if we did not maintain the harbors? It is true that there are some elements of competition, but certainly the existence of these elements of competition would not justify a general opposition to the rivers and harbors appropriations.

JOSIAH W. BAILEY

EDITOR'S NOTE.—The paragraphs referred to by Senator Bailey were undoubtedly those on the "Week at a Glance" page in the issues of March 23 and April 6, in which we mentioned his efforts, first, to hold waterway authorizations within reasonable bounds and, latterly, his apparent wavering in that resolve.

We have never maintained that any and all expenditures by the federal government on rivers and harbors were improper. But we do maintain that in recent years such expenditures have gone beyond all reason—and Senator Bailey seems to agree with us, at least in part. At any rate he has been admonishing rivers and harbors fans lest "excessive expenditures" bring an "inevi-

table reaction." It is true, as his letter says, that in his speech to the Rivers and Harbors Congress, he did not actively urge a levy on the users of improved waterways; he merely suggested it.

Expenditures for economic services at the expense of the general taxpayers are essentially socialistic and paternalistic, and the country is still trying to operate on a system of free enterprise. A minor degree of such socialized competition (say, for example, at the pre-World War level) could be met by private enterprise transportation without serious hardship—but this is no longer true with federal waterway expenditures at the fantastic levels of recent years. If free enterprise transportation (i. e., the railroads) is to be given a chance for survival, either (1) socialized transportation expenditures will have to be drastically reduced or (2) the socialized transport plant will have to be put on a compensatory and fairly-competitive basis by levying tolls on its users.

It is true as the Senator says that the railroads derive some benefit from the use of improved harbors, but presumably most railroad people would be willing to forego such governmental assistance if, in the interest of consistency, the government should decide to levy compensatory tolls on *all* users of such improvements. The railroads have always paid their share and, as long as they remain in private hands, probably will continue to do so.

As to whether it is proper to use the term "pork barrel" in referring to these huge waterway expenditures, our authority is Webster's Dictionary which defines "pork barrel" as follows: "A fund of money appropriated from the federal treasury, as for improving rivers and harbors, erecting public buildings, etc., regarded as appropriated more for local patronage than to make needed improvements."

There is apparently little disagreement between the Senator and ourselves as far as principle is concerned. He upholds the American system of private enterprise, just as we do. But he seems not yet to have concluded, as we have, that large authorizations for socialized transport plant, free of any cost to users, are incompatible with the continued functioning of private enterprise in transportation.

A TRUCK DRIVER WHOSE HEART'S DELIGHT is riding trains recently had his wish come true, according to a Canadian National "Weekly News Letter." Benny Korzynski was recently awarded \$2,800 in the famed "Pot of Gold" radio program and the first thing he did with his windfall was to buy a Grand Trunk-Canadian National ticket to Chicago from New Haven, Mich., in order to do something "I have always liked to do; ride and let the other fellow drive."

Motor Transport Section



Over a Mile High in the Colorado Rockies

Buses to Scenic Spots

STEADILY, year by year, bus tours to places of scenic interest in connection with long distance railroad travel, has grown until now it has taken rank as big business. Naturally, the scenic beauty of the West and the national parks in that area have attracted many of these tours to that section, but they are by no means confined to any one particular area. The new travel habits of the American public have caused these bus "detours" to cater to passengers at points throughout the country. The tours are conducted on a wide variety of plans, some being all-expense, some covering transportation only. The majority are sold as an integral part of round-trip railway tickets and depend almost entirely upon rail passengers for their patronage. The equipment varies, but in all cases it has come a long way from the archaic and usually uncomfortable "rubber-neck" buses of former years. Today, the finest products of the bus manufacturer are found on many of these tours. All of them have made preparations for an outstanding season this year when the war will divert much travel from Europe to the vacation spots in this country.

California Tours

One of the first of such tours was that of the California Parlor Car Tours Company, operated by a manager under the jurisdiction of the Southern Pacific and the Pacific Greyhound Lines, but handling tours in conjunction with all railways serving California. This company has offered a variety of de luxe all-expense tours for some years past in both directions between San

Highway tours for rail travelers open new vistas for vacations

Francisco and Los Angeles, with an allowance for rail coupons between those points. The four and five day tours include Yosemite Valley, the Monterey peninsula, Santa Barbara and many outstanding intermediate points, and the three-day tour includes the same, with the exception of Yosemite. Rooms and meals are provided en route at some of the finest hotels in the West. Last fall this de luxe service was supplemented by the inauguration of popular-priced tours, which include the same itinerary at a considerable reduction in rates. Passengers on these tours stay at good, moderate-priced hotels and meals are not included in the price of the tour.

In all cases where Yosemite Valley is included the above tours are handled between Merced, Calif., and Yosemite and in the valley itself by the Yosemite Park Transportation Company. This company also handles separate tours, in connection with the S. P. and the Santa Fe, between Fresno-Merced and the Valley and the Mariposa big trees.

The Western Pacific offers an interesting scenic detour that gives a combination of railway, highway and steamboat. Rail passengers may debark at Portola, the eastern entrance of the Feather River canyon, traverse the canyon by bus to Sacramento, and thence take a river steamboat overnight to San Francisco. The passen-

ger also has the choice of using the railway between Sacramento and San Francisco.

In northern California and southern Oregon, the Pacific Greyhound and the Southern Pacific join in the Redwood Empire tours. These are available for passengers between Portland and San Francisco, either locally or in connection with transcontinental railway tickets, and provide for rail transportation between Portland and either Marshfield, Ore., or Grants Pass, thence by bus through the redwood forests and along the coast to Eureka, Calif., thence by rail to San Francisco. These tours are operated both north and southbound.

Southwestern Tours

The Union Pacific Stages operate a number of Boulder Dam tours from Los Angeles, via Las Vegas, Nev. These all-expense tours in air-conditioned buses also include Death Valley and the lower Grand Canyon as additional features of the longer trips. The U. P. also operates an elaborate series of tours as side-trips in connection with rail tickets out of Cedar City, Utah, to Bryce canyon, Kaibab national forest and the north rim of the Grand Canyon during the summer season, the passengers stopping at U. P. operated hotels en route. These tours are elastic and comprehensive and the passenger is offered a wide range of prices, accommodations and sightseeing trips throughout the scenic wonderland of southern Utah and northwestern Arizona.

The Atchison, Topeka & Santa Fe, in connection with the Indian Detours, offers a wide variety of tours by limousine in New Mexico and Arizona, centering at Santa Fe, N. M., and featuring expert courier service. The most popular of these tours are to Taos, Frijoles, Puje, and other points in the northern Rio Grande valley country. However, the service is also available to more distant points, such as the Grand Canyon, Carls-



Above: The Missouri Ozarks
Opened by Missouri Pacific Bus
Subsidiary. Below: The Over-
seas Highway Tour to Key West
Attracts Many Florida Visitors





Railway Bus Subsidiaries Open New England Vacation Lands to Travellers

bad Caverns, Colorado parks and many other points. The service is so wide in scope that it may be used for a few hours or for a month or more. This is an all-year operation, although, naturally, the busiest season is in summer. To offer another unique service and to take up some of the winter slack, a ski coach was successfully inaugurated last winter, connecting with Santa Fe trains at Lamy, N. M., and transporting passengers to the new Santa Fe ski slopes in the Sangre de Christo mountains.

Bus Tours Attract Many Travelers to the Rugged Great Smokies



The Southern Pacific, in connection with the Pacific Greyhound Lines, offers the Apache Trail detours to its rail passengers, whereby they may break transcontinental rail trips with two days or more of highway travel by bus in the Apache and cliff-dwelling Indian country of south-central Arizona.

All railways and bus lines entering El Paso work closely with the Carlsbad Cavern Coaches, which make close connections with train schedules for bus tours to Carlsbad Caverns in southeastern New Mexico. These offer all-expense tours as side trips in connection with transcontinental railway tickets, and also conduct short bus tours to Juarez, Mexico.

Mountain Tours

The mountain tours are largely confined to the summer travel season, although the Union Pacific offers de luxe ski coach service to Sun Valley, connecting with its main line trains, throughout the winter season, and the Denver & Rio Grande Western bus subsidiaries operate week-end ski coaches to the new slopes at the west portal of Moffat tunnel and other ski slopes near Denver.

The Glacier Park Transport Company, in connection with the Great Northern, gives seasonal bus tours through Glacier national park. These tours fit in closely with the schedule of the G. N. Empire Builder and enable the passenger to leave the train at either end of the park and board it at the other end one, two or three days later, depending upon the extent of bus tour desired. All these tours operate over the scenic Logan Pass. The latest sedan type buses are used in this service 35 fourteen-passenger units, and 15 large touring cars for special service comprising the fleet. The passengers are housed overnight in the luxurious lodges and chalets in the park.

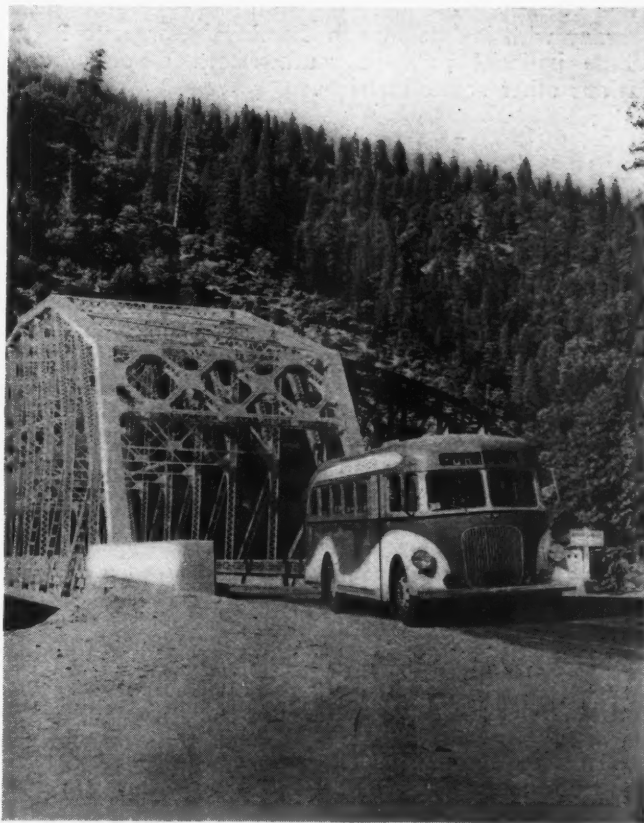
Since the old horse and coach days, the Yellowstone Park Transportation Company has been giving rail passengers an opportunity to visit this natural wonder.

In recent years, new routes have been opened, and, for the 1940 season, the standard trip has been reduced from $3\frac{1}{2}$ to $2\frac{1}{2}$ days, with an accompanying reduction in price. The routes are the same, but modern bus equipment has permitted shortening the schedule. The transport company accepts passengers at many different gateways from all the railroads serving the area. In addition, the Northern Pacific Transport Company, a railway bus subsidiary, operates buses from Red Lodge to the new Silver Gate entrance to the park, and gives several scenic trips in the vicinity of the park. The Northern Pacific also participates in Rainier National Park tours in Washington, the buses operating between Yakima and Tacoma-Seattle over the new National Park highway.

In the Colorado mountains, the Rocky Mountain Motor Company operates a comprehensive series of tours in co-operation with the railways serving Denver. These include the popular Rocky Mountain park circle tour from Denver to Estes Park, Grand Lake and return via the Berthoud Pass. These buses traverse a scenic mountain highway which at one point reaches an elevation of 12,185 feet above sea level. This company also operates numerous shorter tours, and hotel accommodations on the overnight stops are in modern hotels and lodges operated by the company.

The Rocky Mountain Motor Company also operates a detour in connection with the Denver & Rio Grande Western, in which railway passengers on the Moffat tunnel route may use the bus service in either direction between Granby, Colo., and Denver, via Estes Park and Grand Lake. These services have made sightseeing easy for railway passengers in a beautiful mountain section that was inaccessible only a relatively few years ago.

Through its bus subsidiaries, the D. & R. G. W. also



Above: The Western Pacific Gives Passengers a Rail-Bus-Steamboat Tour Including the Feather River Canyon. Below: The Recent Innovation of Ski-Buses Are Popular



gives railway passengers opportunities to break their journey with bus detours to the Royal Gorge, to Mesa Verde national park in southwestern Colorado and various other scenic districts.

Mid-Western Services

Bus tours through the Black Hills district are operated by the Black Hills Transportation company in connection with the three railroads serving that area. The Missouri Pacific Transportation Company, a railway subsidiary offers regular service several times a day between Little Rock and Hot Springs National Park connecting with all through trains at Little Rock. This company also offers comprehensive rail-bus tours from St. Louis and Kansas City to Bagnell lake and dam, in the heart of the Missouri Ozarks country.

The Chicago, Indianapolis & Louisville offers services in connection with all trains to French Lick Springs. There are many other services scattered through the Middle West offering convenient rail-bus schedules to scenic points not conveniently reached by railway trains alone.

Southeastern Services

The Illinois Central uses buses to good advantage in serving the Mississippi gulf coast resort section, the trains taking the passengers from the north to Gulfport and train connection buses transferring them from that point to other resort cities, such as Biloxi and Pass Christian.

This railway has also made arrangements with a bus company to handle rail passengers via the Natchez bus detour and give them an opportunity to see the interesting and historic Natchez trail.

The Norfolk Southern operates a bus subsidiary in regular scheduled service along its railroad. A few years ago this service was extended to include conducted tours to points of historic interest such as Williamsburg, Va. The success of this enterprise encouraged an expansion of the service until now the N. S. operates garden tours that cover all the famous garden spots of the Southeast, as far as Charleston, Savannah and Mobile. This service has been most successful and new and more ambitious garden tours are added yearly.

The Louisville & Nashville and the Southern, in the past few years have inaugurated all-expense tours in connection with the Smoky Mountain Tours Company and

the Smoky Mountain Transit Company, which traverse the Great Smoky Mountains national park in western North Carolina and eastern Tennessee. As the ambitious highway construction program in this area is completed, an expansion of this service is expected. Special open-top touring car-buses are used in this service. The Louisville & Nashville also affords service by automobile from Cave City to Mammoth Cave national park in Kentucky.

The Florida railways have entered into arrangements with the Florida Motor Lines to give the passengers to this resort section an opportunity to see as much of the state as possible. On round-trip rail tickets to Miami, the passenger may use Florida Motor Lines buses in either direction between Tampa and Miami over a variety of routes, including the Tamiami trail through the Everglades, the scenic Lake Okeechobee route and other scenic routes. A new and popular trip extension for rail passengers is to Key West over the Overseas highway. This highway is constructed over the former right-of-way of the Florida East Coast and follows a chain of islands, or keys as they are known locally from the mainland to Key West, and includes a bridge seven miles long entirely over water.

New England Routes

The Boston & Maine and the Maine Central operate their own buses in connection with rail service through New England's vacationland. These serve the Acadia national park at Bar Harbor, Me., as well as the mountain areas of Maine, New Hampshire and Vermont. Independent expense paid tours are operated to include the principal points and are advertised and sold by the two railways as well as the N. Y. N. H. & H. The buses are modern 37-passenger units.

A relatively new feature is the operation of all-expense ski-bus tours during the winter season, offering one, two and three day trips to the New Hampshire ski slopes. The Bangor & Aroostook operates its own coaches to vacation spots in northern Maine which have an especial appeal to hunters and fishermen.

Some of these bus-rail co-ordinations have been effective for many years, but the intensive use of buses for tours to enable rail passengers to reach the country's vacation spots is of comparatively recent origin. New services of this nature are being offered each season and the tours are rapidly assuming the status of a major industry.

* * * *



Three Units Comprising the Bendix-Westinghouse Fleet Devoted to Highway Safety Educational Service Which Are Now Dispensing the Gospel of Safety and Modern Maintenance to Fleet Owners, Factory Branches, Civic Groups and Distributors in a Nation-Wide Tour Embracing All Centers of Commercial Motor Transportation

NEWS

Whitney Advises TNEC on RRs

Researchers told that "research cannot go on forever", present co. excepted

Hearings before the Temporary National Economic Committee (Monopoly Committee) on the subject of "Technology and Unemployment in the Railroad Industry" were brought to a conclusion with the reading into the record on April 22 of a statement by A. F. Whitney, president of the Brotherhood of Railroad Trainmen. Due to the inability of Mr. Whitney to be present in person, the statement was read by his nephew, Byrl A. Whitney.

Mr. Whitney began his statement by telling the committee what he thought of most Congressional investigations. "There appears to be no end to the capacity of Congress to appoint investigating committees," he asserted, "but research cannot go on forever. It is not an end in itself. Moreover, there is a limit to the patience of the American people, particularly the jobless industrial workers, the migratory farm workers, the youth, and other exploited section of our population, who desire, before all else, an immediate, practical, and effective solution to the problem of unemployment."

However, Mr. Whitney would not be too hard on the T. N. E. C. He was happy to say that published reports of the hearings before it "reveal at last a serious and intelligent effort is being made to understand our economic problems with a view to correcting the evils and abuses that are manifest." He was particularly pleased that the committee had decided to undertake a study of unemployment in the railroad industry.

Turning to the subject of railroad consolidations, which is closest to his heart, Mr. Whitney told the committee that in discussing the problem of unemployment in the railroad industry his organization could not overlook the possibility that 200,000 to 350,000 jobs are at stake, should Congress adopt legislation "calculated to open the flood-gates to widespread railroad consolidations."

"It is a known fact," he continued, "that the Wall Street interests that control the railroads would like to solve their financial problems by operating only the most profitable lines, abandoning the so-called 'unprofitable' lines, and leaving in the wake of this destructive program many ghost communities and several hundred thousand workers without employment." Current

railroad legislation before Congress, as embodied in the Omnibus Transportation Bill (S. 2009), answers the problem for Wall Street, he said.

He went on to tell the committee, however, that the Brotherhood of Railroad Trainmen does not propose to acquiesce in such a "vicious" program. "We have caused to be introduced," he concluded, "what is known as the Harrington Amendment to the Omnibus Transportation Bill, which would offer complete protection to railroad labor in the event of the consummation of consolidation schemes. A large majority of the members of the House of Representatives have declared themselves in favor of this amendment, as have thousands of citizens throughout the land who have signed petitions endorsing our proposal. Such wide support is indicative of a majority public opinion which says: 'Congress must not pass any legislation which has the effect of destroying job-opportunities.'" [As noted elsewhere in this issue, the Congressional conference committee working on S. 2009 has eliminated the bill's consolidation provisions entirely, thus removing the Harrington Amendment.]

Status of International Forwarding Company

Following the rule of its decision in the Acme Fast Freight, Inc., case, the Interstate Commerce Commission, Division 5, has found in MC-30303 that the International Forwarding Company failed to establish that its operations are those of a motor carrier under the provisions of the Motor Carrier Act.

Status of Oklahoma Railway

The Interstate Commerce Commission, Division 3, has found that the Oklahoma Railway Company does not fall within the exemption proviso of section 1 (a) of the Railroad Retirement Act, Railroad Unemployment Insurance Act and Carriers Taxing Act. The proceeding (Electric Railway Docket No. 9) was instituted at the request of the Commissioner of Internal Revenue and the Railroad Retirement Board.

Trainload Rate on Coal?

Reports that the St. Louis-San Francisco plans to propose a trainload rate on coal from Ft. Smith, Ark., to St. Louis, Mo., have been heard by H. S. Graves, president of the St. Louis Coke & Coal Company who recently wrote to the Interstate Commerce Commission to register his protest. The commission told Mr. Graves that the Frisco had not "as yet" filed application for permission to establish a multiple-car rate on coal.

New Bankruptcy Court Measure

McLaughlin bill would transfer from I. C. C. to court power to approve new securities

Representative McLaughlin, Democrat of Nebraska, and chairman of a special subcommittee on bankruptcy and reorganization of the House judiciary committee, has introduced in the House and submitted to the full committee for its approval a new and modified draft of S. 1869, the Wheeler-Truman railroad reorganization court bill which passed the Senate at last session. The new bill, which takes the number H. R. 9447, also modifies a draft of the bill which was released by former Representative Chandler last December and reviewed in the *Railway Age* of December 23, 1939, page 976.

Chairman McLaughlin, in a preface to the committee print of the bill, called attention to the fact that under the Chandler committee print the court was given authority to approve a plan of railroad reorganization without the necessity of previous approval of such plan by the Interstate Commerce Commission. Under such provisions, the statement says, the commission acted as a mere adviser as to capitalization as well as to private rights of creditors and stockholders. Under the McLaughlin version the determination of the commission on the question of the essential elements of the capital structure of a reorganized railroad is *prima facie* conclusive and every presumption of correctness is to be indulged in favor of these findings. The danger, it points out, of "shuttling" between the court and the commission is thus eliminated and the experience and fact-finding facilities of the commission with respect to capitalization are recognized and made available in a more definite manner than if the commission is given the mere power of suggestion with respect to capitalization.

It is also pointed out that the Chandler version proposed that the power to grant authority for transfer of property, sale, consolidation or merger of the debtor's property or pooling of traffic contemplated in the plan should be vested in the court without the necessity of approval by the commission. Under the McLaughlin bill the power to grant such authority is reserved to the commission subject to the pertinent restrictive provisions of the Interstate Commerce Act. Upon confirmation of a plan the issuance of any securities

(Continued on page 765)

Minimum Prices For R.R. Fuel

Examiners recommend "at the mine" prices in report to Bituminous Coal Division

Minimum prices "at the mine" for railroad fuel, ranging from \$1.65 a ton for coal produced in west Kentucky and sold to the Louisville & Nashville, to about \$3.35 for coal produced in Michigan and sold to the New York Central have been recommended by Examiners Thurlow G. Lewis, Charles O. Fowler and Samuel H. Jaffee in a report submitted to Howard A. Gray, division director of the bituminous coal division of the Department of Interior.

A statement accompanying the report points out that the minimum prices recommended for railroad fuel in general are lower than those proposed by the National Bituminous Coal Commission before the time when it was abolished by President Roosevelt and its work turned over to the division in the Interior Department and are substantially lower than the first prices established by the commission. It was further pointed out that the railroads consume about 100,000,000 tons of coal annually, or about 25 per cent of the nation's total production.

"The Association of American Railroads," the Department statement asserted, "was instrumental in causing the old Coal Commission to revoke its prices established in 1937-38. The railroads contended that these prices had caused them to pay more than their proper share of the cost of coal production, and that they have paid higher prices for the same coal than other industrial consumers have in the past. The Association obtained temporary injunctions in the federal courts which, along with others, led to the Commission revoking its prices and beginning the price formulation procedure all over again."

It was further pointed out that coal division market technicians testified in the hearing before the examiners that the prices for railroad fuel would not be prejudicial either to railroad consumers or to the great bulk of other consumers. The examiners followed these recommendations, largely, it is stated, and found that under their recommended minimum prices the railroads would pay their proportionate share of the cost of producing coal.

The statement went on to say that during the hearing, the railroads of the country, in general, raised no objections to the prices suggested by the division market technicians. "However," says the statement, "certain railroads protested the suggested prices. These railroads were the New York, New Haven & Hartford, the Rutland, the Carolina, Clinchfield & Ohio, the Akron, Canton & Youngstown, the Chicago, Milwaukee, St. Paul & Pacific, the Chicago & Eastern Illinois, the Chicago, Rock Island & Pacific, the Chicago Great Western, and the Missouri Pacific."

The examiners recommended in their report that these protests be granted in whole or in part, with the exception of those of

No Free Rent, Aviation Forsakes World's Fair

The newspapers report that the aviation industry wanted the New York World's Fair to give it use of its exhibit building rent-free this year, but Harvey D. Gibson, chairman of the board of the Fair, announced on April 19 that he could not meet the demand of Aviation Exhibits, Inc., representing the industry, "although we have offered great concessions to them". So, with the co-operation of the New York Fire Department, the building will be used instead for an exhibit of fire-fighting equipment and methods.

Free terminals, free beacons, mail subsidies and free air for a right-of-way seem to have got this industry into a habit that it is hard to depart from.

the New Haven, the Carolina, Clinchfield & Ohio, and the Chicago & Eastern Illinois.

No Reopening of Official-Southern Divisions Case

Denying petitions of railroads in both territories, the Interstate Commerce Commission has refused to reopen the No. 24160 proceeding which involves divisions of joint interterritorial rates between Official and Southern territories. At the same time the commission issued a supplemental report clarifying findings of the previous report relating to gateways to be used as dividing points for the divisions.

Tie Convention

The Railway Tie Association will hold its twenty-second annual convention at the Brown Hotel, Louisville, Ky., on May 14-15. The program will be confined to the consideration of reports of committees on The Checking and Splitting of Ties; Standard Adzing and Boring; Timber Conservation; Changes in Dimensions of Cross-ties During the Seasoning Period; Manufacturing Practice; Moisture Gradient as a Determining Factor in the Treatment of Cross-ties; Specifications and Inspection; and Statistics. The annual dinner will be held on the evening of May 14.

Railroad Editors Seek Clarification of Newspaper Bill

Seeking clarification of a bill recently introduced by Senator Claude Pepper of Georgia which would "prohibit common carriers or other carriers from owning or acquiring any interest in a newspaper published in the United States", President W. A. Crawford of the American Railway Magazine Editor's Association has written to the Senator, pointing out his concern lest a strict interpretation of the bill make continuance of carriers' house organs illegal. The letter declares that from 25 to 30 American railroads issue regular periodicals for distribution among employees, adding "I do not know of one which concerns itself with partisan political issues."

Railroads Dedicate War Memorial

Hear that War Department's plans don't contemplate government operation

With a declaration that, in the event of war, the nation's whole industrial mobilization program will be carried out in "the established American way of getting things done," Assistant Secretary of War Louis Johnson made it plain on April 26 that the plan does not include government operation or government ownership of railroads. The rail carriers, the War Department official said, "have proven their ability and their capacity," and now are better prepared to meet a military emergency than they were in 1917. The government, he revealed, "is satisfied that the railroads under private management are always in a state of national defense."

This statement was made by Mr. Johnson at the dedication in Washington, D. C., Union Station of a bronze tablet commemorating the services of the Railroad War Board of 1917. More than 300 high government officials, ranking army and navy officers, industrial and agricultural leaders and railroad executives attended the ceremony. Daniel Willard, president of the Baltimore & Ohio, and a member of the war-time board, also spoke, and Miss Barbara Baird, eldest granddaughter of Fairfax Harrison, chairman of the board, unveiled the plaque. The toastmaster was J. J. Pelley, president of the Association of American Railroads, which sponsored the memorial.

In introducing Mr. Johnson, Mr. Pelley pointed out that the Assistant Secretary of War and the Assistant Secretary of the Navy, Louis Compton, who was also present, compose the Army and Navy Munitions Board, which is charged by Congress with the responsibility of making plans for use of the nation's economic power should the United States ever again become embroiled in war.

Assistant Secretary Johnson began his address by saying that the War Department has "full confidence in the innate capacity, in the cooperative spirit, in the ability and in the patriotism of our railroads to cope successfully with the transportation problems that any grave military emergency would involve."

This confidence, he continued, is based on the capabilities of railroad management and on the many improvements which the industry has initiated. The railroads, he said, "have created and perfected an organization to meet the demands of war under private individual management." Stating that the mistakes of 1917, particularly those which caused congestion at terminals and blocking of tracks for miles, will not be repeated, Mr. Johnson declared that war-time transportation plans "do not contemplate the regimenting of the railroads."

Mr. Johnson said that other transportation agencies have their place in the economic life of America, but "the railroad still predominates" and can never be re-

placed. "We must, therefore, keep the railroads financially sound and physically strong," he maintained. "They are the blood stream of American life in peace and in war."

A fervent hope for peace was voiced by the Assistant Secretary of War, who said that "our whole philosophy as a people is opposed to war." But he went on:

"We would be rash, indeed; yes, even criminally negligent, if in a world where armed men are on the march, and reckless leaders reach with greedy hands for conquest by force, we failed to do the things that are necessary to defend our American heritage."

Assurance that the United States is making "definite progress" in its preparedness program was given by Mr. Johnson. However, he added, there is still much to be done, but he expressed confidence that "we shall reach our objective." Mr. Johnson concluded:

"We want an army of the best-led, the best-trained, the best-armed and the best-equipped fighting men in the world—an army that can be transported, supplied and replenished by an efficient transportation system—an army that will not threaten the weak and the oppressed—an army that will stand majestically on guard over the peace we all cherish."

Mr. Willard, during his address, told of the voluntary action taken by the railroads in creating the Railroad War Board at the outbreak of hostilities between the United States and Germany in 1917, and spoke briefly of the achievements of the carriers under the board's direction.

Mr. Willard also described the conditions which led to federal control of the railroads from December 28, 1917, to February 29, 1920.

"I do not hesitate," Mr. Willard declared, "to say that with the railroads as now organized, and with the War and Navy Departments also organized as they now are to deal promptly and understandingly with the difficulties certain to arise in time of war, there need be no feeling of concern about the ability of the railroads, with the cooperation of the government, to handle promptly and effectively in the future any transportation situation with which they may be confronted."

At the speakers' table, in addition to those who made addresses, were: Secretary of Labor Frances Perkins; Assistant Secretary of the Navy Compton; Senator Ellison D. Smith; Senator Alben W. Barkley; Representative Clarence F. Lea; Representative A. J. May; Jesse H. Jones, administrator of the Federal Loan Agency; Joseph B. Eastman, chairman of the Interstate Commerce Commission; Bernard M. Baruch, chairman of the War Industries Board in 1918; and General Hugh S. Johnson, member of that board; Emil Schram, chairman of the Reconstruction Finance Corporation; John M. Carmody, administrator of the Federal Works Agency; Paul V. McNutt, administrator of the Federal Security Agency; Admiral Emory S. Land, chairman of the Maritime Commission; R. H. Aishton, former president of the American Railway Association; Otto S. Beyer, chairman of the National Mediation Board; James S. Hood, president of the American Short Line Railroad Association, and Mur-

Two-Months Net Deficit Was \$7,648,901

Class I railroads of the United States in the first two months of 1940 had a net deficit of \$7,648,901, the Association of American Railroads announced on April 24. For the first two months of 1939, Class I roads had a net deficit of \$32,579,145. Class I roads for February, had a net deficit of \$10,761,223 compared with a net deficit of \$24,110,743 in February, 1939.

ray W. Latimer, chairman of the Railroad Retirement Board.

The tablet will occupy a permanent position on an interior wall of the Washington station.

Dickerman and Hardy Elected to Ordnance League Posts

The New York Post, Army Ordnance Association, elected a panel of officers at its annual meeting of April 15, which included W. C. Dickerman, chairman of the board, American Locomotive Company, as director of the association and as a member of the Executive Committee, together with C. J. Hardy, president, American Car & Foundry Co. The association is a national society of citizens pledged to industrial preparedness, and was founded in 1919 to foster an understanding of industry's role in national defense.

Contract Truckers Want Rehearing on 30-Days-Notice Rule

The Contract Carrier Division of American Trucking Associations, Inc., has filed with the Interstate Commerce Commission a petition for reconsideration, oral argument and postponement of the effective date of Division 2's order in Ex Parte No. MC-33 which amended the commission's regulations to require 30-days notice of changes in minimum-rate schedules of contract motor carriers. As noted in the *Railway Age* of April 13, page 682, the proceeding arose as a result of a resolution filed with the commission by the National Traffic Committee of A. T. A., which contended that the existing rules were unfair to common carriers.

Claim Agents to Meet at Providence

The fifty-first annual convention of the Association of Railway Claim Agents will be held at Providence, R. I., on May 15-17. The program provides for addresses by President George B. Patton, claim agent of the Chicago, Indianapolis & Louisville, and E. R. Brumley, general attorney of the New York, New Haven & Hartford, and the presentation of nine papers.

These include: Chasing the Ambulance Chaser, by H. H. Byrer, general attorney of the Baltimore & Ohio; The 1939 Amendments to the Federal Employers' Liability Act—Their Significance and Effect, by E. J. Moore, attorney of the New York, New Haven & Hartford; The Use and Value of Speed Tape Records in Connection with Claims and Suits, by William Bell Wait, president of the Valve Pilot Corporation;

The Perils of Routine, by L. R. Willis, assistant general claim agent of the Chesapeake & Ohio; Proximate Cause, by J. W. Patton, district claims agent of the Louisville & Nashville; Some Special Phases of Investigation by H. J. Skeeters, special claim agent of the Pennsylvania; Mr. Brittingham Wants to Know, by Smith R. Brittingham, general claims attorney of the Seaboard Air Line; When You Are on Your Own, by F. W. Bower, general claims agent of the Southern Pacific; and Injuries to Employees of Delivering Roads and of Consignors and Consignees Due to Concealed Defects in Equipment, by E. S. Stille, claim agent of the Washington Terminal Company.

House Passes Bill to Curb Federal Administrative Agencies

The House of Representatives on April 18 passed the so-called Logan-Walter bill, H. R. 6324, which provides for uniformity in the administrative procedures of certain federal agencies and judicial review of the rules and decisions of such agencies. Among the agencies exempt from the bill are the Interstate Commerce Commission, Railroad Retirement Board, National Mediation Board and National Railroad Adjustment Board.

The I. C. C. was out when the bill came to the House from the committee on judiciary; the others were taken out on the floor under an amendment offered by Representative Crosser, Democrat of Ohio.

T. N. E. C. May Hear About Alleged Rebates to Steel Industry

Material on alleged rebates claimed to be made by independent railroads to the steel industry through divisions of rates with railroads owned and controlled by steel companies may be presented at the Temporary National Economic Committee's forthcoming series of hearings on the relative efficiency of large and small business. While no application for a hearing on the matter has yet been received by T. N. E. C., it is understood that the material is being assembled by the Federal Trade Commission with the collaboration of the Interstate Commerce Commission and the Securities and Exchange Commission.

Maintenance Studies in Rail and Barge Joint Rates Case

Maintenance studies of the Federal Barge Lines, operated by the government-owned Inland Waterways Corporation, and of railroads which handle a "substantial volume" of traffic competitive with water carriers on the Lower Mississippi and Warrior rivers, have been prepared by the Interstate Commerce Commission's Bureaus of Statistics and Valuation for the record in the No. 26712 investigation of rail and barge joint rates.

"These studies," I. C. C. Secretary W. P. Bartel's notice to counsel of record says, "are for the purpose of indicating the extent to which the carriers mentioned had accumulated surplus or deferred maintenance as of December 31, 1937, and also to indicate the approximate annual maintenance charges for each of those carriers on the basis of the traffic volume handled

during the year 1937. Each of the principal classes of property has been studied separately and the results combined into totals for all maintenance accounts."

The railroads involved are: Illinois Central (including Yazoo & Mississippi Valley); Louisville & Nashville; Missouri Pacific; and Southern (portions between Cincinnati, Ohio, and New Orleans, La., including Alabama Great Southern, New Orleans & Northeastern, Cincinnati, New Orleans & Texas Pacific, and New Orleans Terminal).

Freight Car Loading

Revenue freight carloading for the week ended April 20 totaled 628,342 cars, the Association of American Railroads announced on April 25. This was an increase of 9,532 cars, or 1.5 per cent, above the preceding week, an increase of 70,475 cars, or 12.6 per cent, above the corresponding week last year and an increase of 104,594 cars, or 20 per cent, above the comparable 1938 week.

As reported in last week's issue, loading of revenue freight for the week ended April 13 totaled 618,810 cars, and the summary for that week, as compiled by the Car Service Division, A. A. R., follows:

Revenue Freight Car Loading			
For Week Ended Saturday, April 13			
Districts	1940	1939	1938
Eastern	135,447	130,133	118,132
Allegheny	126,405	102,832	101,105
Pocahontas	43,912	13,349	34,419
Southern	100,329	89,753	88,275
Northwestern ..	73,265	70,343	63,214
Central Western	96,269	96,560	88,568
Southwestern ..	43,183	44,209	43,872
Total Western			
Districts	212,717	211,112	195,654
Total All Roads	618,810	547,179	537,585
Commodities			
Grain and grain products	31,196	30,928	31,215
Live stock	11,146	12,483	11,251
Coal	113,121	54,461	88,014
Coke	7,326	5,839	4,121
Forest products.	31,174	28,008	25,422
Ore	12,495	11,259	7,813
Merchandise l.c.l.	148,301	154,139	150,722
Miscellaneous ..	264,051	250,062	219,027
April 13	618,810	547,179	537,585
April 6	602,697	534,952	522,049
March 30	628,278	600,691	523,489
March 23	619,886	601,948	572,952
March 16	618,985	591,166	540,365
Cumulative Total,			
15 Weeks ...	9,386,341	8,630,382	8,218,315

In Canada.—Carloadings for the week ended April 13 were 50,348, compared with 49,701 in the previous week and 41,726 a year ago—so reports the Dominion Bureau of Statistics.

	Total Cars	Total Cars Rec'd from Loaded Connections
Total for Canada:		
April 13, 1940	50,348	23,935
April 6, 1940	49,701	26,116
Mar. 30, 1940	43,567	25,056
April 15, 1939	41,726	19,906
Cumulative Totals for Canada:		
April 13, 1940	704,529	364,978
April 15, 1939	610,747	317,025
April 16, 1938	665,432	327,792

20,253 Freight Cars Installed in First Quarter

Class I railroads in the first three months of 1940 put in service 20,253 new freight cars, according to the Association of American Railroads. This was the largest number installed in any corresponding period since 1930, and was an increase of 15,149

Senate Strikes Tombigbee from Rivers Bill

Getting to work on the \$231,000,000 Rivers and Harbors Bill reported from its committee on commerce, the Senate, on April 24, struck out the authorizations for the \$66,000,000 Tennessee-Tombigbee waterway and the \$23,700,000 Umatilla Dam. The fight against the bill was being led by Senator Vandenberg, Republican of Michigan, and the debate continued on April 25.

compared with the number of freight cars put in service in the first quarter of 1939, and an increase of 15,891 compared with the corresponding period in 1938.

New steam locomotives put in service in the first three months of this year totaled 16 compared with eight in the same period in 1939, and 68 in the same period in 1938. New electric and Diesel-electric locomotives installed in the three months' period this year totaled 63 compared with 46 in the same period last year, and 40 in the same period two years ago.

Class I railroads on April 1, had 21,112 new freight cars on order, compared with 6,502 on the same day last year, and 5,825 on the same day in 1938. New steam locomotives on order on April 1, totaled 59 compared with 62 on April 1, 1939, and 84 on April 1, 1938; new electric and Diesel-electric locomotives on order on April 1, this year totaled 56 compared with 33 last year, and 19 two years ago.

Freight cars and locomotives leased or otherwise acquired are not included in the above figures.

Senate Gets "Make-Work" Bill for Pullman Conductors

Senator Minton, Democrat of Indiana, has introduced S. 3798, a companion bill to H. R. 9406 previously introduced in the House by Representative Crosser, Democrat of Ohio, to require the Pullman Company to assign a Pullman conductor to every train carrying revenue passengers in a Pullman car between 6 p. m. and 8 a. m.

I. C. C. Would Modify Locomotive Inspection Rule 116(b)

Railroads have been called upon in an order of the Interstate Commerce Commission, by Commissioner Patterson, to show cause on or before July 1 why Rule 116(b) of the Rules and Instructions for the Inspection and Testing of Steam Locomotives and Tenders and their Appurtenances should not be amended to read as follows:

The front cab doors or windows of road locomotives used in regions where snowstorms are generally encountered shall be provided with what is known as a "clear vision" window, or an appliance that will clean the outside of such doors or windows over sufficient area to provide a clear view of track and signals ahead. If a "clear vision" window is used it shall be not less than 5 inches high located as nearly as possible in line of the engineman's vision and so constructed and fitted that it may be easily opened, closed and fastened in desired position.

The order states that the change appears desirable "for purposes of uniformity and the promotion of safety of employees

and travelers . . ." Language in the foregoing, not found in the present rule, includes the reference to "an appliance that will clean the outside of such doors or windows. . . ."

Jones Criticizes Recent M. & St. L. Decision

The recent decision of the Interstate Commerce Commission in which it refused to sanction a plan of reorganization for the Minneapolis & St. Louis which would divide it into two parts, details of which were given in last week's issue, was discussed by Jesse Jones, Federal Loan Administrator, at his press conference on April 18. Mr. Jones expressed the belief that the commission should not have rejected the plan and went on to say that such a policy of cutting off the weak links of the system from the stronger should be followed in other railroad reorganizations. Such a policy would not necessarily lead to substantial abandonments, Mr. Jones said, but he admitted that this might ultimately be the result.

Mr. Jones agreed with Commissioner Mahaffie's strong dissent which expressed the position that the R. F. C. plan of reorganization should be approved and the road reorganized at once. Under the proposed plan the R. F. C. would lend \$5,000,000 on 906 miles of the most profitable part of the system and leave the remaining 600, or the western part of the system, unencumbered. It was the Administrator's belief that the 906 miles was sufficiently strong to support the loan. Referring to the 600 "weak" miles, Mr. Jones said that since it would be debt-free, it deserved to die if it could not survive on that basis.

Mr. Jones also told reporters that the chairman of the road's reorganization committee had called on him that day and had asked the R. F. C. to consider making a loan of at least \$4,000,000 on the entire property. No decision, he said, had been reached on the new loan or on what kind of a new plan could be worked out for the reorganization of the property.

Agreed Conditions No Bar to Repairs

Conditions under which the Lehigh Valley furnished bulk containers and container cars for shipments of cement have become the basis for an Interstate Commerce Commission award of reparations to the shipper who accepted the stipulations. The commission in a six-to-four decision reversed a previous decision of Division 4 dismissing the complaint in No. 27855, Lehigh Portland Cement Company et al v. Lehigh Valley Railroad Company et al.

The condition under which the railroad agreed to furnish the container-car equipment required that it be given the long haul on the shipments moving from Chapman, Pa., Sandt's Eddy and Hercules to Canawaugus, N. Y. Meeting that condition involved use of a route over which no joint through rates applied, and the combination of the local rates thus applicable exceeded the joint rate in effect over alternate routes. The commission found that the complainant was entitled to reparation with interest for the difference between the

latter plus an emergency charge of one cent and the amount actually collected.

The brief dissenting opinion, written by Commissioner Mahaffie, was also subscribed to by Commissioners Lee, Miller and Patterson. "The shippers," it said, "requested the use of unusual equipment, furnished by carriers only under specified conditions. The condition here was that the Lehigh Valley would be given its long haul. The use of these container cars necessitated a greater than average empty movement and cost the Lehigh Valley, in rental, substantially more than the cost of using standard equipment. The spread between the rates assailed and the so-called normal basis does not appear excessive in the light of these circumstances. Furthermore, the parties were fully advised as to the applicable rates. They elected the service used rather than to be subjected to penalties under the sales contract. The shippers should not now be permitted to avoid their contract for an unusual transportation service at rates slightly higher than for usual transportation."

Perfect Shipping Month Meetings Draw Large Attendance

With record completed for less than one third of the Perfect Shipping and Careful Handling Month meetings being held throughout the United States in April, the attendance of industrial executives, traffic officers and shipping department employees, along with railroad representatives, already closely approaches that for the entire campaign of 1939. At the 150 meetings thus far recorded in 1940, an attendance of 25,000 was registered compared with a total attendance of 29,462 at 398 meetings held in 1939. Since approximately 500 meetings are to be held in 1940, a total attendance three or four times greater than in 1939 is expected.

Honors for attendance thus far this year go to Philadelphia and New York—the Philadelphia meeting with a registered attendance of 1,450 and the New York meeting with 1,398. The largest meeting recorded in the 1939 campaign was at Buffalo with 687 registered.

One of the features of the 1940 campaign, which has attracted a considerably larger attendance, is the talking picture "On Guard", prepared by the Association of American Railroads. This picture, which is being shown by a large number of individual railroads, deals with loss and damage to freight shipments and presents practical means of overcoming these losses.

Another feature which has added considerably to the interest in many of the meetings this year is a "quiz" period during which those present are given the opportunity to answer questions of interest as to packing, shipping, marking and all phases of freight transportation. In some instances opposing teams have been selected from those in attendance to compete in answering the quiz questions.

Traffic executives of the larger industries, the A. A. R. has pointed out, have given fully of their time and effort to make the campaign an outstanding one, both in the way of addressing the Perfect Shipping Month meetings being held throughout the country and in providing meeting rooms,

sponsorship by traffic and other service clubs and otherwise progressing the movement. Cooperation of the Railway Express Agency has been particularly effective and helpful, with arrangements made to supply meeting rooms in Railway Express Agency buildings, provision of projecting machines to show the talking picture, and addresses by Express Agency officers at Perfect Shipping Month meetings.

District Managers and road forces of the Car Service Division have also been busy arranging meetings, preparing dockets and securing speakers.

More than 1,450 men and women interested in the shipment of freight were registered in attendance at two evening meetings held simultaneously in the Pennsylvania hotel, New York, on April 18, as the wind-up observance of "Perfect Shipping and Careful Handling Month" by the Atlantic Shippers Advisory Board. Speakers representing railroads and the traffic departments of leading industrial and

commercial concerns expressed their ideas on the theme of the evening. Music lent informality to the program.

A note of drama was also introduced into the proceedings; while the chairman was discussing the topic of the evening a "planted" uniformed employee of the Railway Express Agency strode up on the platform and presented him with a package in a seriously damaged condition.

I. C. C. Income and Balance Sheet Compilation for January

The Interstate Commerce Commission has made public its latest compilation of selected income and balance sheet items, showing January's net income of the Class I roads at \$2,926,623, as compared with January, 1939's net deficit of \$8,468,402.

Sixty-five Class I roads reported net incomes for January, while 64 report net deficits; in January, 1939, there were 62 net incomes and 67 net deficits. The con-

SELECTED INCOME AND BALANCE-SHEET ITEMS OF CLASS I STEAM RAILWAYS

Compiled from 132 Reports (Form IBS) Representing 137 Steam Railways
(Switching and Terminal Companies Not Included)

TOTALS FOR THE UNITED STATES (ALL REGIONS)

	For the month of January	
	1940	1939
<i>Income Items</i>		
1. Net railway operating income.....	\$45,569,976	\$32,947,171
2. Other income	11,328,971	12,417,602
3. Total income	56,898,947	45,364,773
4. Miscellaneous deductions from income.....	2,379,092	2,153,415
5. Income available for fixed charges.....	54,519,855	43,211,358
6. Fixed charges		
6-01. Rent for leased roads and equipment.....	11,041,984	10,716,873
6-02. Interest deductions†	38,394,581	38,820,558
6-03. Other deductions	190,889	181,164
6-04. Total fixed charges	49,627,454	49,718,595
7. Income after fixed charges.....	4,892,401	*6,507,237
8. Contingent charges	1,965,778	1,961,165
9. Net income‡	2,926,623	*8,468,402
10. Depreciation (Way and structures and Equipment).....	16,868,818	16,804,308
11. Federal income taxes	3,429,983	2,128,405
12. Dividend appropriations:		
12-01. On common stock	1,738,481	2,636,456
12-02. On preferred stock	1,794,411	955,772
<i>Selected Asset Items</i>		
13. Investments in stocks, bonds, etc., other than those of affiliated companies (Total, Account 707)	\$622,526,419	\$647,488,386
14. Cash	529,753,361	447,623,771
15. Demand loans and deposits	20,927,848	16,061,338
16. Time drafts and deposits	27,381,129	19,540,422
17. Special deposits	101,381,974	55,708,954
18. Loans and bills receivable.....	2,433,440	1,141,561
19. Traffic and car-service balances receivable.....	67,076,496	58,425,354
20. Net balance receivable from agents and conductors.....	48,945,244	45,828,306
21. Miscellaneous accounts receivable.....	131,793,024	123,875,215
22. Materials and supplies	342,842,934	318,815,962
23. Interest and dividends receivable.....	14,393,478	15,769,636
24. Rents receivable	1,101,116	1,199,068
25. Other current assets	4,188,512	3,210,623
26. Total current assets (items 14 to 25).....	\$1,292,218,556	\$1,107,200,210
<i>Selected Liability Items</i>		
27. Funded debt maturing within 6 months§.....	\$193,271,271	\$189,370,804
28. Loans and bills payable ¶.....	198,229,022	210,892,507
29. Traffic and car-service balances payable.....	83,978,563	74,970,448
30. Audited accounts and wages payable.....	232,193,927	241,594,799
31. Miscellaneous accounts payable	62,520,310	59,452,221
32. Interest matured unpaid	20,045,925	22,767,745
33. Dividends matured unpaid	5,021,170	3,084,904
34. Unmatured dividends declared	3,435,316	2,048,703
35. Unmatured interest accrued	81,241,202	87,432,366
36. Unmatured rents accrued	18,610,152	19,437,551
37. Other current liabilities	29,966,382	28,684,298
38. Total current liabilities (items 28 to 37)	\$735,241,969	\$750,365,542
39. Tax liability (Account 771):		
39-01. U. S. Government taxes	\$89,754,427	\$46,146,533
39-02. Other than U. S. Government taxes.....	131,364,806	137,627,450

† Represents accruals, including the amount in default.

‡ For 99 railways not in receivership or trusteeship the net income was as follows: January 1940, \$10,708,847; January 1939, \$1,847,011.

§ Includes payments of principal of long-term debt which will become due within six months after close of month of report.

¶ Includes obligations which mature not more than 2 years after date of issue. a 1939 figures for certain liability items have been revised for comparative purposes, to conform with changes prescribed in the Uniform System of Accounts by Commission's order of December 6, 1939, effective January 1, 1940.

* Deficit or other reverse items.

NET INCOME OF LARGE STEAM RAILWAYS

(Switching and Terminal Companies Not Included)

Name of Railway	Net income after deprec.		Net income before deprec.	
	For the month of January		For the month of January	
	1940	1939	1940	1939
Alton R. R.	\$246,179	\$194,989	\$224,728	\$173,603
Atchison, Topeka & Santa Fe Ry System.	417,309	804,634	562,835	173,227
Atlantic Coast Line R. R.	537,077	347,644	705,075	525,114
Baltimore & Ohio R. R.	495,031	616,823	101,983	15,730
Boston & Maine R. R.	48,686	21,608	169,060	108,188
Central of Georgia Ry.†	261,797	228,139	190,943	157,088
Central R. R. of New Jersey†	8,509	332,534	125,520	216,475
Chesapeake & Ohio Ry.	2,848,483	1,683,887	3,549,435	2,373,979
Chicago & Eastern Illinois Ry.†	99,836	136,670	49,446	87,332
Chicago & North Western Ry.†	1,311,714	1,518,923	900,757	1,104,091
Chicago, Burlington & Quincy R. R.	21,200	27,262	453,548	458,976
Chicago Great Western R. R.†	73,363	111,329	26,979	66,682
Chicago, Milwaukee, St. Paul & Pacific R. R.†	682,651	1,486,297	194,621	1,002,978
Chicago, Rock Island & Pacific Ry.†	837,780	885,713	497,150	540,360
Chicago, St. Paul, Minneapolis & Omaha Ry.	157,368	297,706	110,055	249,277
Delaware & Hudson R. R.	194,929	226,112	280,718	311,352
Delaware, Lackawanna & Western R. R.	213,070	9,005	413,391	212,679
Denver & Rio Grande Western R. R.†	250,411	345,795	146,603	244,574
Elgin, Joliet & Eastern Ry.	305,644	240,419	383,648	322,479
Erie R. R. (including Chicago & Erie R. R.)§	60,601	419,760	238,206	113,179
Grand Trunk Western R. R.	45,535	216,943	53,434	120,584
Great Northern Ry.	988,993	1,281,908	682,027	973,636
Illinois Central R. R.	94,936	71,937	619,220	478,856
Lehigh Valley R. R.	162,760	36,096	340,099	215,242
Long Island R. R.	278,804	264,318	181,540	166,337
Louisville & Nashville R. R.	722,350	642,032	1,080,086	1,002,989
Minneapolis, St. Paul & Sault Ste. Marie Ry.†	585,667	730,858	483,421	628,361
Missouri-Kansas-Texas Lines	321,933	385,078	221,374	273,737
Missouri Pacific R. R.†	790,048	1,115,789	416,385	753,055
New York Central R. R.†	1,027,787	735,529	2,345,044	580,942
New York, Chicago & St. Louis R. R.	284,084	53,513	417,048	186,152
New York, New Haven & Hartford R. R.†	217,818	393,857	56,713	110,732
Norfolk & Western Ry.	3,005,722	2,004,522	3,511,689	2,419,189
Northern Pacific Ry.	667,612	854,683	388,145	572,291
Pennsylvania R. R.	1,741,191	1,261,039	3,935,554	3,406,041
Pere Marquette Ry.	270,173	10,615	461,531	187,452
Pittsburgh & Lake Erie R. R.	303,345	162,034	490,148	348,814
Reading Co.	589,204	366,362	848,451	626,332
St. Louis-San Francisco Ry.†	817,953	1,122,035	564,451	865,970
St. Louis, San Francisco & Texas Ry.	45,868	29,253	45,799	29,184
St. Louis Southwestern Lines†	76,617	187,803	24,307	136,168
Seaboard Air Line Ry.†	234,941	411,809	44,191	234,184
Southern Ry.	6,097	10,378	300,134	294,505
Southern Pacific Transportation System||	929,882	1,333,072	266,612	672,473
Texas & Pacific Ry.	28,252	35,923	129,169	135,870
Union Pacific R. R. (including leased lines)	1,112,780	790,227	1,737,918	1,422,391
Wabash Ry.†	259,859	444,519	80,237	265,896
Yazoo & Mississippi Valley R. R.	88,805	112,057	51,224	72,765

* Deficit.

† Report of receiver or receivers.

‡ Report of trustee or trustees.

§ Under trusteeship, Erie R. R. only.

|| Includes Atchison, Topeka & Santa Fe Ry., Gulf, Colorado & Santa Fe Ry., and Panhandle & Santa Fe Ry.

|| Includes Boston & Albany, lessor to New York Central R. R.

|| Includes Southern Pacific Company, Texas & New Orleans R. R., and leased lines. The report contains the following information: "Figures reported above for Southern Pacific Transportation System exclude offsetting debits and credits for rent for leased roads and equipment, and bond interest, between companies included therein. Operations for January 1940 of separately operated. Solely Controlled Affiliated Companies (not included in above statement), resulted in a net deficit of \$605,475. These results include \$211,172 representing interest on bonds of such companies owned by Southern Pacific Company not taken into income by S. P. Co. and, therefore, not included in the 1940 income results for the system reported above. The combined results for January 1940 for Southern Pacific Transportation System and separately operated Solely Controlled Affiliated Companies amounted to a net deficit of \$1,324,185.

solidated statement and that showing the net incomes or net deficits of roads having operating revenues above \$25,000,000 are shown in the accompanying tables.

Freight Station Section to Meet June 11-13

The Freight Station Section of the Operating-Transportation Division, Association of American Railroads, will hold its annual meeting for 1940 at the Pennsylvania hotel, New York, June 11 to 13, inclusive.

Court Sustains Car-Over-Cab Statute

The United States Supreme Court at its April 22 session in the case of Maurer et al. v. Hamilton et al. upheld the constitutional validity of a Pennsylvania statute prohibiting the operation over its highways of any motor vehicle carrying any other vehicle over the head of the operator of such vehicle. Justice Stone, in writing the unanimous decision, held that such a statute is not a denial of due process of

law or an infringement of the commerce clause of the federal constitution, and is, therefore, not invalid.

The justice went on to say that this statute is not superseded by the rules and regulations promulgated by the Interstate Commerce Commission under the Motor Carrier Act of 1935, and reaffirmed the court's holding in South Carolina Highway Department v. Barnwell Brothers, 303 U. S. 177, in which the Court upheld size and weight regulations for trucks in South Carolina.

After the instant case had been instituted in the Pennsylvania courts, the commission held a hearing and rendered a decision in which it said that such operations as this car-over-cab one were not unsafe. After a careful investigation of the legislative history of the Motor Carrier Act, Justice Stone decided that the Act imposes no duty and confers no authority on the commission to regulate the size and weight of motor vehicles.

In the cases of Singer & Sons v. Union Pacific Railroad Company, and Kansas City, Missouri v. Singer & Sons, the Court

decided to grant petitions for writs of certiorari and will review the issues involved, which were described in the *Railway Age* for March 30, page 607.

The Court also decided to review the case of Palmer et al. v. Connecticut Railway and Lighting Company in which the United States Circuit Court of Appeals for the Second Circuit had allowed damages against the New Haven trustees for the rejection of a lease by them, holding that the lessor is entitled to damages accruing prior to the trial, where the property involved was under a 999-year lease.

In another decision the Nashville, Chattanooga & St. Louis was granted a review of the tax allocation system used by the State of Tennessee in taxing interstate railroads.

Status of R. F. C. Rail Loans

The monthly financial statement of the Reconstruction Finance Corporation as of March 31, 1940, shows loans to railroads (including receivers) of \$689,980,461 and repayments of \$222,093,372.

Qualifications of I. C. C. Motor Vehicle Inspectors

Representative Peterson, Democrat of Florida, has introduced H. R. 9511 to prescribe "certain qualifications for persons employed by the Interstate Commerce Commission as safety inspectors in the inspection of motor vehicles."

Eastern Roads to Inaugurate Drive-Yourself Service on May 1

Railroads in Trunk Line and Central Passenger Association territories will inaugurate a new rail-auto travel plan to become effective May 1. The service, which is similar to that announced by 11 western railroads to be effective also on May 1 (see the *Railway Age* for February 17, page 340) is to be operated in conjunction with members of the American Driveyourself Association, located in 38 Eastern cities. In brief, it provides that the railroads and the automobile hire association co-ordinate reservations for automobiles and that railroad passengers be afforded special schedules of rates.

Passengers desiring to have the use of an automobile at destination point follow this routine, as outlined in the pamphlet announcing the service: "(1) When you buy your railroad ticket to wherever you're going, ask the ticket agent for a receipt for your fare; (2) Before you get aboard the train send a prepaid telegram to the 'Driveyourself' station in the city you plan to visit. The cost of the telegram (up to 35 cents) will be credited to your car rental at the Driveyourself station after your arrival; (3) When you step from the train (or when you leave your hotel) take a taxi to the local Driveyourself station. Your taxi fare from the station or hotel to the Driveyourself station (up to 35 cents) will be refunded to you. Get a taxi receipt; (4) At the Driveyourself station, you present the receipt for your railroad fare. This will identify you as a traveler under the rail-auto plan. As such you will be entitled to a special service rate."

The special hire rate afforded patrons (News Continued on page 764)

READING COMPANY

FORTY-SECOND ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 1939

Philadelphia, Pa., March 26, 1940.

To the Stockholders of Reading Company:

The Board of Directors submits herewith its 42nd Annual Report of the operations and affairs of the Company for the year ended December 31, 1939:

	1939	1938	Increase or Decrease	
Average miles of road operated	1,449.91	1,451.04	1.13	.1%
Receipts from the transportation of anthracite and bituminous coal, merchandise, passengers, etc.	\$56,744,549	\$48,479,998	\$8,264,551	17%
Cost of operating the railroad and maintaining the property	39,612,689	35,618,159	3,994,530	11%
Net Revenues	\$17,131,860	\$12,861,839	\$4,270,021	33%
Federal, State and other taxes	4,480,363	2,840,810	1,639,553	58%
Receipts from other companies in excess of payments made to such companies for hire of equipment and use of joint facilities.....	† 720,493	172,060	892,553	
Net Railway Operating Income	\$11,931,004	\$10,193,089	\$1,737,915	17%
Income from investments in securities, property rentals and other items	1,921,812	2,176,405	254,593	12%
Miscellaneous income deductions	790,524	655,816	134,708	21%
Gross Income before deductions for fixed charges....	\$13,062,292	\$11,713,678	\$1,348,614	12%
Fixed charges—interest on funded debt, rentals paid for leased railroads, etc....	8,340,641	8,418,369	77,728	1%
Net Income available for dividends and other corporate purposes	\$4,721,651	\$3,295,309	\$1,426,342	43%
Percentage of each dollar of operating revenue consumed by operating expenses	69.81%	73.47%	3.66%	
Rate of return on investment in property used for transportation service	2.67%	2.29%	.38%	
Times fixed charges earned	1.57	1.39	.18	
Earnings per share of 1st and 2nd Preferred Stock	\$3.37	\$2.35	\$1.02	
Earnings per share of Common Stock after 1st and 2nd Preferred dividend requirements of \$2.00 per share each	\$1.37	\$35	\$1.02	

† Debit.

General Remarks

Reading Company's operating revenues in 1939 were the highest of any year since 1931 with the exception of 1936 and 1937. It is noteworthy that receipts from the transportation of general merchandise were also the largest in any year during this period except in 1937. Such receipts in 1939 accounted for over 47% of total operating revenues, which in the second half of the year were over 16% greater than for the first half, indicating that the volume of industrial production rose toward the close of the year to a level considerably above that of the average for the beginning of the year.

The effect of the increase of \$8,264,551 in receipts from transportation, and of the increase of only \$3,994,530 in operating expenses was to reduce from 73.47 to 69.81 the percentage of each dollar of operating receipts required to perform that dollar's worth of business, due to adherence to the strictest economies consistent with safe operation. This was the lowest operating ratio of the Company since 1936, and the fifth lowest in the past twenty years, previous lower operating ratios in this period having occurred in 1933, 1934, 1935 and 1936, namely: 67.02, 69.49, 69.59 and 68.34, respectively.

The tax bill for the year 1939 amounted to \$5,129,482, equivalent to \$1.83 for each share of capital stock, or 19¢ for each payroll dollar, or \$339.43 for each employee on the payroll.

In addition to paying \$26,959,814 in wages and salaries to 15,112 employees of the Company in 1939, substantial employment in other industries was provided by expenditures of approximately \$8,930,000 for materials and supplies for the operation and maintenance of the property. Mainly, such purchases were:

Anthracite and Bituminous Coal	\$4,767,000
Iron and Steel Products	2,402,000
Ties, lumber, electrical materials, stationery and other supplies	1,761,000

(Advertisement)

Financial Position, December 31st

	1939	1938	Increase or Decrease
The Company had investments in land, railroad tracks, terminal facilities, shops, locomotives, freight and passenger cars and other fixed property of	\$366,598,315	\$366,455,387	\$142,928
In addition the Company had investments in stocks, bonds and notes carried at	74,314,274	75,576,571	1,262,297
Total Investments	\$440,912,589	\$442,031,958	\$1,119,369
The Company had cash	\$6,210,507	\$3,944,860	\$2,265,647
Railroad companies and others owed the Company	3,691,182	3,431,495	259,687
The Company had on hand fuel, rails, ties, bridge material and other supplies necessary for keeping road and equipment in good repair ..	4,140,298	4,815,151	674,853
Deferred assets and unadjusted debits, including items due but not yet available to the Company	1,467,344	1,397,905	69,439
Total Assets of the Company were	\$456,421,920	\$455,621,369	\$800,551
The Company owed for materials, supplies, wages and balances to other railroad companies, and interest and rents accrued but not yet due	\$9,472,415	\$9,622,857	\$150,442
Taxes accrued but not due ..	3,429,029	2,562,785	866,244
Reserve for depreciation of road and equipment	81,509,680	79,702,605	1,807,075
Deferred liabilities, including items due to others not yet adjusted	732,731	635,099	97,632
The total of these liabilities, credits and reserves was	\$95,143,855	\$92,523,346	\$2,620,509
After deducting these items from the total assets there remained available capital net assets of	\$361,278,065	\$363,098,023	\$1,819,958
The capitalization of the Company consisted of the following:			
Funded Debt, including bonds, equipment trust obligations, etc.	\$127,551,465	\$127,855,684	\$304,219
First Preferred Stock	27,991,200	27,991,200	
Second Preferred Stock	41,970,650	41,970,650	
Common Stock	69,989,100	69,989,100	
Making a total capitalization of	\$267,502,415	\$267,806,634	\$304,219
After deducting this capitalization from net assets there remained a corporate surplus of ..	\$93,775,650	\$95,291,389	\$1,515,739

Long Term Debt

Changes occurred during the year in Funded Debt and Equipment Trust Obligations as follows:

	Funded Debt	Equipment Obligations
Outstanding Dec. 31, 1938	\$122,407,617.11	\$3,539,520.00
Additional obligations incurred in 1939, for new Diesel Electric Switching Locomotives		249,000.00
Retired during year	122,407,617.11	3,788,520.00
Acquired for investment	275,000.00	611,278.43
Outstanding Dec. 31, 1939	\$122,132,583.78	\$3,177,241.57

The following record is presented as evidence of the Reading's contribution during the past five years to the needs and public welfare of the territory which it serves:

Tons of freight handled	248,810,751
Number of passengers carried	55,825,861
Wages paid to 16,055 employees (average)	\$131,527,504
Taxes of all kinds paid: (Federal \$5,796,531; State, \$11,218,114; Municipal, \$4,899,363)	21,914,008
Materials and supplies purchased	44,202,274
Interest paid to bondholders	26,285,567
Rentals paid for leased lines	16,195,292
Cost of improvements to property	10,130,969
Dividends paid to stockholders	25,889,074
Grand Total	\$276,144,688
Average	\$ 55,228,938

The foregoing represents the performance of a transportation plant having a railway property investment of \$446,696,231

EDWARD W. SCHEER, President

*Ship and Travel via The Reading
More Than A Century of Service*

News

(Continued from page 762)

of the rail-auto plan is based on an hour-and-mile schedule. The rate is \$3 for a full day of 24 hours for the car, plus 5 cents per mi., except in New York, where the rate is \$4 per day plus 6 cents per mi. In certain cities, lower rates are in effect, while in all cities short trip rates are available. Gasoline and oil are furnished. Cost of extra purchases of gasoline or oil will be refunded. The service is available every day, including Sundays, at all points except New York, where the service is available Monday to Friday, inclusive, excluding holidays.

The 38 points where the service will be available are: Akron, Ohio; Albany, N. Y.; Allentown, Pa.; Ann Arbor, Mich.; Atlantic City, N. J.; Baltimore, Md.; Boston, Mass.; Bradford, Pa.; Buffalo, N. Y.; Camden, N. J.; Chester, Pa.; Chicago, Ill.; Cincinnati, Ohio; Cleveland, Ohio; Columbus, Ohio; Danville, Ill.; Dayton, Ohio; Decatur, Ill.; Detroit, Mich.; Elizabeth, N. J.; Flint, Mich.; Fort Wayne, Ind.; Geneva, N. Y.; Harrisburg, Pa.; Indianapolis, Ind.; Jackson, Mich.; Jersey City, N. J.; Kalamazoo, Mich.; Lancaster, Pa.; Lansing, Mich.; Linden, N. J.; Marion, Ohio; Newark, N. J.; New Bruns-

wick, N. J.; New York, N. Y.; Norfolk, Va.; Passaic, N. J.; Philadelphia, Pa.; Pittsburgh, Pa.; Pittsfield, Mass.; Rahway, N. J.; Reading, Pa.; Richmond, Va.; Rochester, N. Y.; Rochester, Pa.; Schenectady, N. Y.; Scranton, Pa.; Springfield, Mass.; St. Louis, Mo.; Toledo, Ohio; Trenton, N. J.; Washington, D. C.; Wheeling, W. Va.; Worcester, Mass., and Youngstown, Ohio.

Additional points in New England are already covered by the auto-rental plan established by the New York, New Haven & Hartford in August, 1938.

Club Meetings

The regular spring meeting of the Southwestern Car Service Association, which was scheduled for April 25, has been postponed to Thursday, May 9, at the Hotel Adolphus, Dallas, Tex.

The Car Foremen's Association of Omaha, Nebr., Council Bluffs & South Omaha Interchange, will hold its next meeting at 1:30 p. m., on May 9, at the office of the general car foreman, Union Pacific, Council Bluffs. Officers will be elected.

The annual banquet and entertainment of the New England Railroad Club will be held at the Copley-Plaza hotel, Boston, Mass., on May 14.

The Car Department Association of St. Louis, Mo., will hold its next meeting on

May 21, at the Hotel De Soto, St. Louis. N. H. Roy, director of research of the Waugh Equipment Company will present a paper entitled, "The Draft Gear of Today—and Tomorrow." In accordance with the established policy of this association, a morning meeting will be held at the Broadview hotel, E. St. Louis, Ill., for those members who are unable to attend the evening meeting. This will be followed by a luncheon at 12 o'clock.

Every-Hour-on-the-Hour New York to Boston

Coincident with the return of Daylight Saving Time on April 28, a number of railroads will make important changes in train rosters and schedules while all the carriers will adjust suburban services and the schedules of certain through trains to conform with the change in the daily cycle of the larger cities and towns.

The New York, New Haven & Hartford is completely revamping its New York-Boston, Mass., and New York-Springfield, Mass., passenger service, effective April 28, so as to provide a train every hour, on the hour, in each direction, between 7 a. m. and 5 p. m. (e.s.t.). In addition, the running time of almost every train will be shortened, principally by the elimination of stops.

The fastest time for the New York-

The Baltimore and Ohio Railroad Co.

SUMMARY OF ANNUAL REPORT FOR THE YEAR 1939

The Company's annual report of its operations and affairs for the Year 1939 is being mailed to stockholders. The following presents a

CONDENSED COMPARATIVE STATEMENT OF OPERATING RESULTS

	1939	1938	Increase 1939 Over 1938	
			Amount	%
Total Railway Operating Revenues	\$161,030,252	\$134,722,330	\$26,307,922	19.53
Total Railway Operating Expenses	119,901,075	104,984,021	14,917,054	14.21
Net Railway Operating Revenue	\$41,129,177	\$29,738,309	\$11,390,868	38.30
Railway Tax Accruals ...	\$10,767,991	\$10,412,774	\$355,217	3.41
Equipment and Joint Facility Rents	4,836,086	4,473,741	362,345	8.10
Net Railway Operating Income	\$25,525,100	\$14,851,794	\$10,673,306	71.87
Income from Investments, etc. (Net)	4,647,564	4,207,959	439,605	10.45
Income available for Fixed Charges	\$30,172,664	\$19,059,753	\$11,112,911	58.31
Interest and other charges remaining Fixed under the Plan (referred to below)	20,421,656	32,184,283		
Income Available for Other Purposes	\$9,751,008			
Other Interest Accrued but not paid—				
Secured Contingent Interest	\$7,111,820			
Unsecured Contingent Interest	\$4,261,395			
Total Contingent Interest Accrued	\$11,373,215			
Net amount by which total interest charges were not earned	\$1,622,207	\$13,124,530		

Net Income Available for Interest and Other Charges for 1939 is \$30,172,664, compared with \$19,059,753 for 1938, an increase of \$11,112,911 or 58.31 per cent, and shows income for the year only \$1,622,207 short of covering entire interest charges. From the Net Income Available there was deducted \$20,421,656 for interest and other charges remaining fixed under the Plan, leaving Available Net Income for other purposes of \$9,751,008.

Pursuant to the provisions of the Plan, the President and Board of Directors, in the exercise of the discretion vested in them, determined to apply \$2,000,000 of the Available Net Income to Capital Fund, and the remaining \$7,751,008 to increase Net Working Capital. By reason of these appropriations, no contingent interest is payable on May 1, 1940, out of the income of 1939.

The contingent interest accrued in 1939 and not paid is \$11,373,215, and that for 1938 \$883,337, a total of \$12,256,552, which is carried to Deferred Liabilities in the balance sheet.

The Plan herein referred to is that for the Modification of Interest Charges and Maturities, dated August 15, 1938, which, after being accepted by the holders of \$476,489,928, or 87.79 per cent. of the \$542,810,628 of securities affected, was submitted to and, after hearing, was approved by the District Court of the United States for the District of Maryland on November 8, 1939, acting under Chapter XV of the Bankruptcy Act, entitled "Railroad Adjustments."

Under the Plan \$166,270,421 of near-by maturities were extended for a period of from five to ten years, and fixed interest charges of the Company and its subsidiaries, which had been \$31,421,742, were modified so that \$19,644,679 remains fixed and the payment of \$11,376,435, for the period of eight years, becomes contingent on earnings as ascertained and applicable pursuant to the Plan. The deferred charges continue as an obligation of the Company and are payable at or before the maturity of the respective obligations.

During 1939 the total interest-bearing obligations of the Company were reduced by \$6,654,249, largely through the payment of equipment trust certificates.


DANIEL WILLARD, President.

[Advertisement]

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COAL CONSUMPTION HAS DROPPED

29%



...thanks to
**MODERN
POWER!**

Coal consumption per thousand ton-miles in freight service has decreased 29% since 1921. This is evidence of the operating economies secured with modern steam power. » » » Railroads with

a progressive motive power policy are getting a money return from this high locomotive efficiency. » » » Bring your motive power up to date — POWER with Lima Locomotives.

LIMA



LOCOMOTIVE WORKS, INCORPORATED, LIMA, OHIO

Boston run will be made by The Merchant, which will slice 15 min. off its former time of 4½ hr. In addition, the excess fare charge will be reduced from \$2.05 to \$1.05. The Yankee Clipper, which will run on its present schedule of 4½ hr., will be taken off the excess-fare list and will carry coaches for the first time.

A new train, the Bunker Hill (No. 6), to replace a former Springfield train, will start off the procession at 7 a. m. Between New York and Boston the schedules of Mayflower and Bay State will be cut by 25 min., the Bostonian, 15 min.; the Colonial (via Pennsylvania station) 25 min., the Puritan, 25 min.; the Shore Liner, 5 min.; the Senator (via Pennsylvania station) 5 min., and the Advance Gilt Edge (Friday afternoons) 25 min.

The New Haven-Springfield sections of these trains will also be speeded up and in many cases over-all time between New York and Springfield will be reduced to 3 hr. and under. In order to speed up the trains between New York and New Haven through suburban territory, eastbound, the road will operate a semi-express out of New York, 30 min. before each hourly express to pick up passengers at intermediate points, and westbound similar follow-up trains will run. This makes it possible for the main trains to eliminate all stops but Bridgeport, Conn., and make the New York-New Haven run in 1 hr., 7 min. These semi-expresses will also serve as the Springfield connections from New Haven.

The Seaboard Air Line, in connection with the discontinuance of winter-only trains to and from Florida, will transfer certain Diesel-electric locomotives to operation of the "Cotton States Special" and the "Robert E. Lee," all-year-round trains between New York and Atlanta, Ga., and Birmingham, Ala. The schedule of the former train will also be shortened by one hour. According to the new schedule, effective April 28, it will leave Pennsylvania station at 11:30 a. m., one hour earlier than previously.

The New York Central will speed up its Ohio State Limited between New York and St. Louis by 1 hr. 12 min., making it its fastest train between those points. Under the new schedule, the train will leave New York at 4:20 p. m. (e.s.t.) and arrive in St. Louis at 12:43 p. m. The schedule of the Forest City, eastbound from Chicago to New York, will be quickened by 50 min., leaving Chicago at 11:40 p. m. and arrive in New York at 7 p. m.

The road will also operate two new trains. One, to be called the Seneca, will be operated between New York and Buffalo, leaving New York at 11:45 p. m. and arriving in Buffalo at 10:10 a. m. Eastbound, it will leave Buffalo at noon and arrive at New York at 9 p. m. The other, the Mohawk, will leave Buffalo at 6:10 a. m. and arrive in New York at 4:20 p. m.

The Pennsylvania will inaugurate a 20-hour service between New York and St. Louis, Mo., the fastest schedule in its history. One hr., 45 min. will be clipped from the present running time of the westbound St. Louisan, which will leave New York at 1:45 p. m., and arrive at St. Louis at 8:40 a. m. on a through schedule of 19 hrs., 55 min. The St. Louisan will also

become the first afternoon train from the eastern seaboard to St. Louis providing an early morning arrival. Eastbound, the Gotham Limited from St. Louis will be

An Order for \$3,000,000 Worth of Statistics

Compliance with the Interstate Commerce Commission's order of January 9, calling for information with respect to the movement of traffic to be supplied in connection with the commission's general investigations of the class rate structure and the consolidated freight classification would cost the railroads "at least \$3,000,000," according to the petition for modification filed April 19 on behalf of all Class I roads, members of the Association of American Railroads, by A. A. R. Assistant General Counsel J. M. Souby. As noted in the *Railway Age* of April 13, page 679, the commission recently postponed until June 1 the deadline for furnishing the information sought in the aforementioned January 9 order in these two proceedings which are docketed as Nos. 28300 and 28310; the information called for was outlined in the *Railway Age* of January 20, page 170.

The petition for modification sets up twelve specific changes which the railroads would have the commission make in the requirements of the order. First is the request that all l.c.l. and any-quantity shipments be eliminated from the study, and that carload shipments of commodities which do not ordinarily move on class rates also be taken out. The former change, it is estimated, would save the reporting railroads about \$2,500,000 of the above-mentioned \$3,000,000. Other requests seek to change the period for which the data are to be compiled from past to current, to limit the test to six days instead of 12, and to eliminate the call for information as to the short-line mileage over which each shipment might have moved. If all of these modifications were made, the estimated net cost of compliance would be \$91,250.

Meanwhile, however, the petitioners do not wish to be understood "as admitting the desirability of a traffic study in these proceedings," the "extent of their intended commitment" being that a study conducted along the modified lines "would be fully as useful and as trustworthy as that which would be obtained under the order as now worded." Furthermore, they deem the matter of sufficient importance as to warrant the commission in hearing oral argument on the petition for modification. As the petition points out, the order affects directly only 45 roads, since it requires reports only from those which grossed more than \$1,000,000 from l.c.l. traffic in 1937.

renamed the Pennsylvania Limited and one hr., 40 min. will be cut from its time. Modern reclining seat coaches will be added to the equipment.

The running time from New York to Cincinnati, Ohio, will be reduced one hour, with the westbound Cincinnati Limited leaving New York at 5:15 p. m., 1 hr., 10 min. later than at present, arriving at Cincinnati at 7:25 a. m. The eastbound Cincinnati Limited will be speeded up 55 min. The running time to Pittsburgh of the Metropolitan will be shortened 25 min. to leave New York at 8 a. m., with arrival at Pittsburgh at 5 p. m. By connection leaving Pittsburgh at 5:10 p. m., this schedule will in addition provide a new daylight service from the East to Cleveland with arrival at 8:15 p. m.

The fastest daylight runs ever operated between Pittsburgh and New York will be inaugurated on three trains. The eastbound Pennsylvania Limited will be quickened 45 min. and the Juniata, 50 min., while the Pittsburgh-Philadelphia schedule of the Duquesne will be shortened 13 min.

New Bankruptcy Court Measure

(Continued from page 757)

ties or the assumption of any obligations, under provisions of the plan, are not subjected to the provisions of the Interstate Commerce Act.

S. 1869, the Wheeler-Truman bill, as it passed the Senate, provided for a new court of five judges known as the Railroad Reorganization Court, to be located in Washington, and to have exclusive judicial jurisdiction over the subject of railroad reorganizations.

The McLaughlin bill provides for a three-judge court to be convened in each particular reorganization case. This court, so set up in each particular case, would consist of one district judge and two judges of the circuit court of appeals who would sit as a district and not as a special court and would be a court of judges selected from the federal judiciary system as it now exists. Under this plan the testimony would be heard by a single district judge who would prepare a tentative opinion subject to approval of objection by the court of three judges. The three-judge court would be required to pass upon the approval of the plans, appointment of trustees and their counsel, allowance of compensation and expense, confirmation of the plans, where not accepted or approved by the requisite number of creditors and stockholders, the "upset" price where there is a sale of the assets, and on other issues upon which the district judge might seek advice.

Representative McLaughlin's statement asserts that the bill will "expedite proceedings in accordance with the proper standards of capitalization and reorganization as set up in the Act without losing the benefit of the hearings originally held by the Interstate Commerce Commission before the matter is referred to the Court."

Under the new bill the commission is required to hold initial hearings on the plans and to make findings on the essen-

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*no slack...
no jerks...*

**A SMOOTH, QUICK START every
time when you use Boosters**

More than half the time the average locomotive is forced to take slack to start. This is caused by the cranks stopping in such positions that the power of only one cylinder is available. The result is a jerky start that annoys passengers and sends the locomotive and cars to the shop for early repairs. » » » The power of the Booster, which is nominally only a fraction of the locomotive's starting effort, is in some cases equal to more than half the actual starting effort of the locomotive. At these times The Booster gives added power equal to that obtained by two extra drivers. » » » Keep your starting power up and your repair costs down... install The Locomotive Booster.



FRANKLIN RAILWAY SUPPLY COMPANY, INC.

NEW YORK
CHICAGO
MONTREAL

tial elements of the capital structure of the reorganization plan, which findings under the law would be *prima facie* conclusive, and in favor of which findings every presumption of correctness would be indulged. In the event the findings of the commission are incorrect the court is empowered to make and state correct findings.

Also, under the new bill the issuance of securities or the assumption of obligations by the reorganized company are left to the determination of the court. The subcommittee takes the position that the determination of private rights of bondholders and stockholders should be the duty of the court rather than the commission "inasmuch as this determination involves private legal rights upon which the court is peculiarly qualified to pass and upon which the court, rather than the commission, should be called upon to pass."

The new bill proves standards to be applied to reorganizations, including the determination of the capital structure. These standards, the subcommittee points out, are "comprehensive and are so designed as to permit the taking into account of all proper factors affecting earnings and consequent capitalization, including past earning experience, reasonable charges and probable future earnings."

Provision is also made in the new bill that the court shall pass upon the fees of counsel and trustees and may allow salaries to bondholders and stockholders protective committees. In the present law the maximum fees of counsel and trustees is fixed by the commission, while it allows only expenses to bondholders and stockholders protective committees.

Another provision would make the commission automatically a party in all court hearings on rail reorganization matters. Such a procedure is now operative in other corporate bankruptcy cases; under Chapter 10 of the Bankruptcy Act, the Securities & Exchange Commission is a party to all such proceedings.

A concluding statement of the subcommittee states that it feels "that the McLaughlin bill vastly improves the existing railroad reorganization statute as a permanent law without causing delay or interference with the work of the commission."

New Livestock Tariffs Suspended

Tariffs wherein the railroads are proposing a revised basis of rates on livestock moving to and from the South have been suspended by the Interstate Commerce Commission from April 20 until November 20 as to all-rail traffic and until July 19 as to rail-motor traffic. The proposed rates would involve some increases, although the railroad answer to the petitions for suspension said that the revision would result "generally in reductions."

The proceedings under which the suspended tariffs will be investigated have been docketed as I. & S. Nos. 4779 and 4780, Livestock from and to the South, and I. & S. Nos. 4781 and 4782, Livestock, South to East. The suspended schedules in the former two propose to cancel through carload rates on livestock from points in Central, Illinois, Southwestern and Western Trunk Line territories to and

from points in Southern territory, and apply combination rates in lieu thereof; I. & S. Nos. 4781 and 4782 involve suspended schedules proposing to increase certain carload rates on livestock from various points in the South to destinations in Trunk Line and New England territories.

Study of Productivity and Labor Costs in Transport Industry

The United States Department of Labor's Bureau of Labor Statistics would be authorized "to make continuing studies of productivity and labor costs in manufacturing, mining, transportation, distribution and other industries," under House Joint Resolution 265 which has been passed by the House of Representatives. A similar Senate measure (Senate Joint Resolution 114) was passed over when reached during the April 22 call of the calendar in the upper branch.

Construction

ATCHISON, TOPEKA & SANTA FE.—A contract has been awarded George Senne & Company, Topeka, Kan., for the construction of a 14-ft. extension to the coach shop at Topeka. Other work involves a rearrangement of heating lines and the installation of 15 overhead unit heaters in the new extension. The total cost of the work will be about \$50,000.

CHICAGO, ROCK ISLAND & PACIFIC.—A contract has been awarded List & Weatherly, Kansas City, Mo., for the construction of a new bridge over Cowskin Creek near Haysville, Kan. The new bridge, which will be 180 ft. long, will consist of a 100-ft. through plate girder span and two 40-ft. I-beam approach spans on new concrete piers and abutments supported on steel bearing piles. This bridge will replace two 60-ft. deck plate girder spans on a concrete pier and abutments, which were supported by wood foundation piling. The total cost of the project will be approximately \$60,000.

CHICAGO, ROCK ISLAND & PACIFIC.—A contract has been awarded Stamey & Tidd, Hutchinson, Kan., for the construction of a double 16-ft. by-14 ft. concrete box culvert 40 ft. long, which will replace a pile trestle bridge 140 ft. long over Rattlesnake Creek. The new double box will require 2,000 tons of reinforced concrete. The entire project together with 5,000 cu. yd. of grading and other work, which will be done by Rock Island forces, will cost approximately \$25,000.

ERIE.—A low bid of \$149,754, submitted by John B. Schultz Contracting Company, Inc., Buffalo, N. Y., covering the elimination of the Broadway crossing of this road on the Alden Village highway in the Village of Alden, N. Y., has been approved by the New York Public Service Commission. The commission has directed the Department of Public Works to award the necessary contract and begin the work as soon as practicable.

Supply Trade

The American Lumber & Treating Co. will move its offices and laboratory to 332 S. Michigan avenue, Chicago, on May 1.

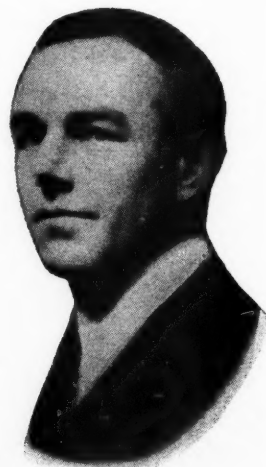
John S. Mace, district manager of the **United States Metallic Packing Company**, Philadelphia, Pa., who entered the employ of this company in 1906, will retire on May 1 continuing in an advisory capacity.

Norman L. Deuble is now associated with the **Copperweld Steel Company**, at Warren, Ohio, as assistant to vice-president. Mr. Deuble was previously with the Republic Steel Corporation and had been associated with the Central Alloy Company and the United Alloy Steel Company.

Norman B. Johnson, manager of freight shops of the **Pullman-Standard Car Manufacturing Company**, Chicago, has also been appointed acting chief engineer to succeed **A. Christianson**, who has asked to be relieved of his duties, but who remains in the service of the company as consulting engineer. **M. R. Kempton**, principal engineer, has been promoted to engineer of freight for all plants, with headquarters at Michigan City, Ind.

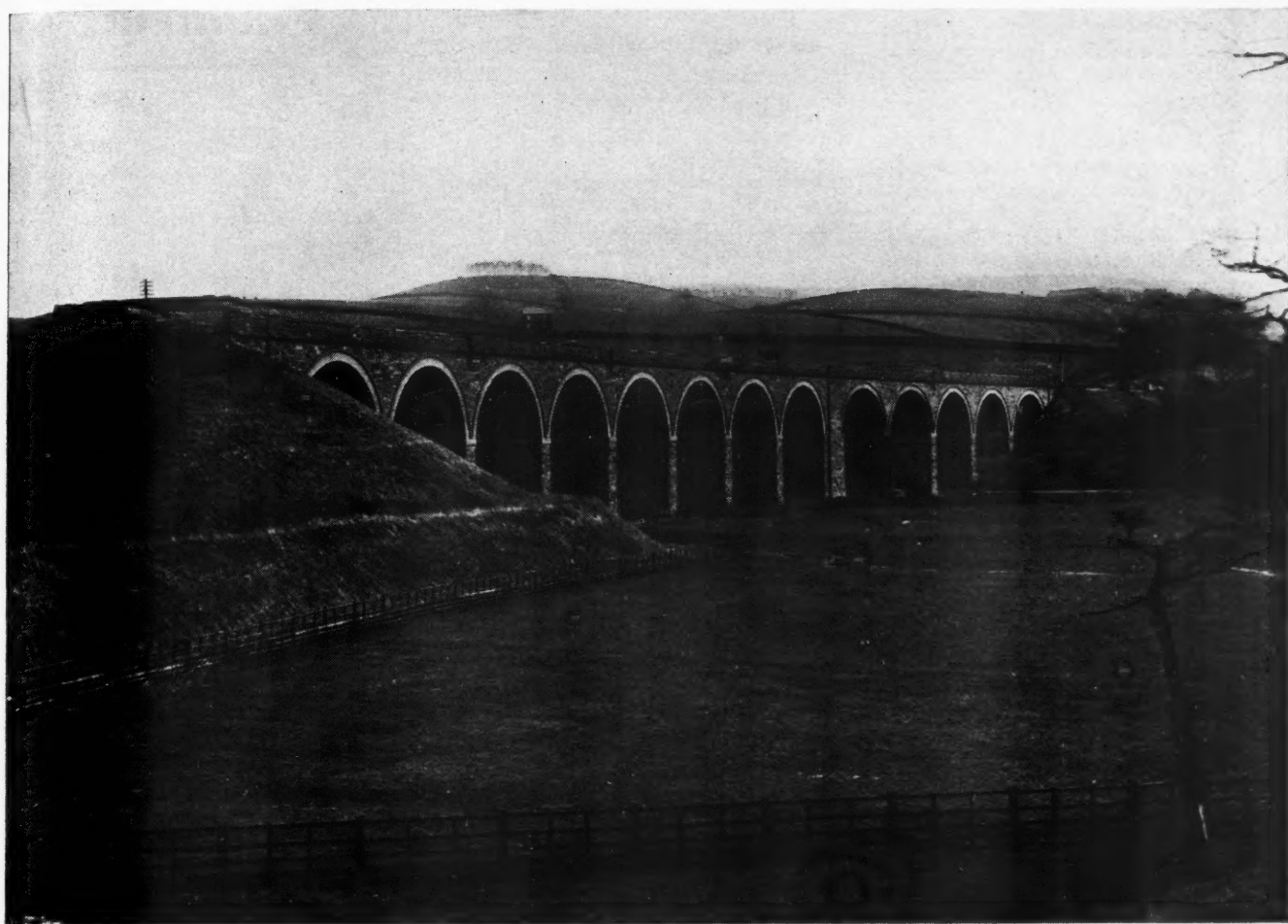
Wm. Wyer & Co., railroad consultants, with offices in the Terminal Tower, Cleveland, Ohio, have opened an eastern office at 207 Market street, Newark, N. J. **William Wyer** will divide his time between the Cleveland and Newark offices, while **Corwin E. Dick**, will be located full-time at Newark.

James C. Morgan, general sales manager of the Philadelphia division of the **Yale & Towne Manufacturing Company**, has been promoted to general manager of the entire Philadelphia, Pa., plant. Mr. Morgan first became associated with



James C. Morgan

the Yale & Towne Manufacturing Co., in 1920, when he went to Stamford, Conn., from the C. B. Hunt Company to take charge of Yale electric truck sales. Later, the electric truck and hoist divisions were



NEWTON VIADUCT

ENGLAND

This viaduct, which is situated between Buxworth and Hazel Grove stations on the trunk route of the London, Midland & Scottish Railroad between London and Manchester, was constructed in 1901. The superstructure consists of 13 arches of 45 ft. each, on the square. Eleven of these arches being overland and two over the River Goyt. The overall length of this brick

viaduct is 735 ft., and it carries a double track. » » »

The Security Sectional Arch for the locomotive firebox was designed and developed to further the economy and effectiveness of the steam locomotive. To realize the utmost from your power, be sure that every locomotive that leaves your roundhouse is equipped with a *complete arch*.

There's More to SECURITY ARCHES Than Just Brick

**HARBISON-WALKER
REFRACTORIES CO.**

Refractory Specialists



**AMERICAN ARCH CO.
INCORPORATED**

60 EAST 42nd STREET, NEW YORK, N. Y.

***Locomotive Combustion
Specialists***

combined into one unit under Mr. Morgan's supervision. He subsequently served as assistant to the president and then became general sales manager of the Philadelphia division.

J. G. Gidley, who has been associated with the sales of turbines at Schenectady, N. Y., has been appointed manager of sales, Schenectady section, Turbine division of the **General Electric Company**. He succeeds **R. S. Neblett**, who has been assistant manager of the Turbine division since July, 1939.

Chester H. Lang, manager of the **General Electric Company's** advertising and sales promotion activities since 1932, has been appointed manager of apparatus sales and vice-chairman of the company's Apparatus Sales Committee, and **Robert S. Peare** has been appointed manager of the publicity department. The apparatus or capital goods lines range from big tur-



Chester H. Lang

bines to tiny motors. As advertising manager, and a member of both apparatus and appliance sales committees, Mr. Lang has been associated with all commercial activities of the company. He organized its market research bureau in 1932 devoted to sales analyses of existing and contemplated products. Mr. Lang was born at Erie, Pa., and was graduated from the University of Michigan. He entered the employ of the General Electric Company in 1919, as a traveling auditor, following his service as a first lieutenant in the field artillery overseas with the 35th division. In 1922 he was appointed assistant manager of the publicity department and in 1926, became comptroller of the budget, which position he held until 1932, when he became advertising manager. He also served as General Electric's manager of broadcasting, operating its various stations and while comptroller of the budget he devised a sales direction plan which has been an effective aid in the operation of the company's sales departments and field offices. He served for two years as president of the Advertising Federation of America, later as chairman of the board and is an active member of the Association of National Advertisers, having served on various of its committees.

OBITUARY

Arthur G. Hollingshead, president of the Viloco Railway Equipment Company, the Okadee Company and the Viloco Machine Company, Chicago, died in University Hospital in that city on April 23.

Herman N. Lehn, production manager of the Kerite Insulated Wire & Cable Co., Inc., New York, died on April 20, in the LeRoy Sanitarium of a staphylococcus infection after an illness of two months, at the age of 56 years. Mr. Lehn had been with the Kerite Company for 31 years and previous to his service with that company, Mr. Lehn was with the New York Central.

Equipment and Supplies

LOCOMOTIVES

Directors of the **TERMINAL-RAILROAD ASSOCIATION OF ST. LOUIS**, on April 22, approved the purchase of 10 Diesel-electric switching locomotives at a cost of \$700,000.

THE **CHICAGO, ROCK ISLAND & PACIFIC** has been authorized by the federal district court to purchase one 1,000-hp. Diesel-electric switching locomotive from the American Locomotive Company for use at Ft. Worth, Tex., where it is being tried out by the railroad.

FREIGHT CARS

THE **NEWFOUNDLAND RAILWAY** contemplates buying 50 steel underframe flat cars of 30 tons capacity and 40 ft. long.

THE **NORFOLK SOUTHERN** has ordered 40 flat cars from the Greenville Steel Car Company and 12 caboose cars from the Magor Car Corporation. Inquiry for this equipment was reported in the *Railway Age* of March 30, page 609.

THE **CHICAGO, MILWAUKEE, ST. PAUL & PACIFIC** has been authorized by the federal district court to enter into a lease-purchase agreement with the General American Transportation Corporation for the acquisition of 35 covered hopper cars of 70 tons' capacity.

THE **CHICAGO, ROCK ISLAND & PACIFIC** has been authorized by the federal district court to purchase 150 fifty-ton open-top, hopper-bottom gondola cars from the Pullman-Standard Car Manufacturing Company, and 60 seventy-ton covered hopper cars from the General American Transportation Corporation, under a lease-purchase agreement over a ten-year period, with interest at three per cent.

IRON AND STEEL

THE **RICHMOND, FREDERICKSBURG & POTOMAC** has placed an order for 1,500 tons of 131-lb. rail with the Bethlehem Steel Company, to be rolled between August 15 and September 15.

Financial

ALABAMA GREAT SOUTHERN.—Annual Report.—The 1939 annual report of this road shows a net income of \$2,111,051 after interest and other charges, a decrease of \$614,872 as compared with net income in 1938. Selected items from the income account follow:

	1939	Increase or Decrease Compared with 1938
RAILWAY OPERATING REVENUES	\$7,677,582	+\$881,349
Maintenance of way	990,917	+15,523
Maintenance of equipment	1,577,470	+28,715
Transportation	2,208,722	+112,446
TOTAL OPERATING EXPENSES	5,215,904	+170,605
NET REVENUE FROM OPERATIONS	2,461,677	+710,744
Taxes	882,224	+167,040
Hire of Equipment	342,815	-190,082
Joint facility rents	154,019	+14
NET RAILWAY OPERATING INCOME	1,768,249	+353,607
Other income	897,390	+249,397
TOTAL GROSS INCOME	2,665,640	+603,005
Rent for leased roads	19,664	+5
Interest on funded debt	423,840	.....
TOTAL DEDUCTIONS FROM GROSS INCOME	554,588	-11,867
NET INCOME	\$2,111,051	+\$1,614,872

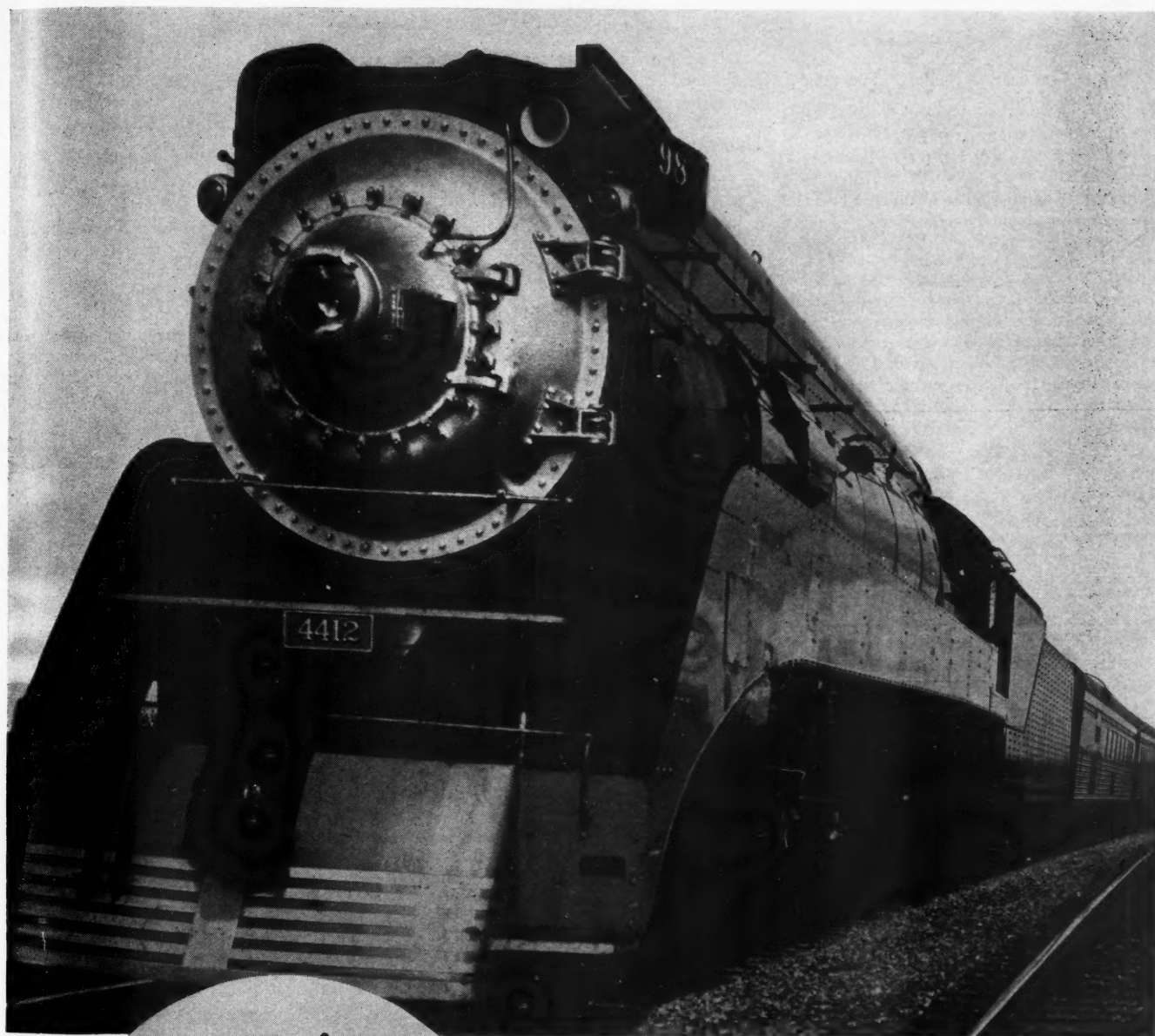
BALTIMORE & OHIO.—Annual Report.—The 1939 annual report of this road shows net income of \$9,751,008 after interest and other charges, as compared with a net deficit of \$13,124,529 in 1938. Selected items from the income statement follow:

	1939	Increase or Decrease Compared with 1938
Average Mileage Operated*	6,306.58	-38.73
RAILWAY OPERATING REVENUES	\$161,030,251	+\$26,307,921
Maintenance of way	15,172,307	+2,940,586
Maintenance of equipment	35,857,609	+7,040,120
Transportation	57,007,080	+4,049,113
TOTAL OPERATING EXPENSES	119,901,075	+14,917,054
Operating ratio	74.46	-3.47
NET REVENUE FROM OPERATIONS	41,129,176	+11,390,867
Railway tax accruals	10,767,991	+355,216
Equipment rents—net Dr.	3,084,547	+507,310
Joint facility rents—net Dr.	1,751,538	-144,964
NET RAILWAY OPERATING INCOME	25,525,099	+10,673,305
Other income	6,474,919	-19,909
TOTAL INCOME	32,000,019	+10,653,396
Rent for leased roads	1,072,247	+4,133
TOTAL INTEREST AND OTHER FIXED CHARGES	20,421,655	-11,762,627
NET INCOME	\$9,751,008	+\$22,875,537

* Excludes passenger trackage rights between Philadelphia and Jersey City.

CHESAPEAKE & OHIO.—New Directors Elected.—Stockholders of this road, at their annual meeting in Richmond, Va., on April 23, elected three new directors to the board of 14. They are: **J. G. Blaine**, president, Marine Midland Trust Company; **H. D. Gibson**, president, Manufacturers Trust

Continued on next left-hand page



*127 million
passenger miles
during 1939*

The "Daylights", streamlined steam trains of the Southern Pacific, covered 127,121,322 passenger miles for the year ending June 30, 1939. This passenger traffic resulted in the "Daylights" earning \$3.85 per train mile, which is believed to be the highest net passenger revenue for streamliners. * * * Fast schedules call for high sustained boiler horsepower. The 4-6-4 locomotives hauling the "Daylights" are equipped with Elesco type "E" superheaters to provide maximum boiler horsepower. Modern power deserves the best in superheater equipment . . . Elesco . . . hence the selection of the type "E" for this service.

THE

SUPERHEATER

COMPANY

SUPERHEATERS • FEEDWATER HEATERS
AMERICAN THROTTLES • STEAM DRYERS
EXHAUST STEAM INJECTORS • PYROMETERS



Representative of AMERICAN THROTTLE COMPANY, INC.
60 East 42nd Street, NEW YORK • 122 S. Michigan Ave. CHICAGO
Montreal, Canada • THE SUPERHEATER COMPANY, LTD.

Company; and H. C. Thompson, vice-president, Continental Bank & Trust Co., all of New York.

CHICAGO, BURLINGTON & QUINCY.—Abandonment.—This company has been authorized by Division 4 of the Interstate Commerce Commission to abandon a branch line extending from Greeley Center, Nebr., northwesterly to Ericson, 17.4 miles.

CHICAGO GREAT WESTERN.—Annual Report.—The 1939 annual report of this road shows net deficit of \$62,148 after interest and other charges, a decrease of \$1,082,125 as compared with net deficit in 1938. Selected items from the income statement follow:

	1939	Increase or Decrease Compared with 1938
Average Mileage Operated	1,504.81	-2.24
RAILWAY OPERATING REVENUES	\$18,128,103	+\$986,139
Maintenance of way	2,258,830	-173,210
Maintenance of equipment	2,680,403	-46,275
Transportation	6,648,367	-148,429
TOTAL OPERATING EXPENSES	12,905,666	-335,996
Operating ratio	71.19	-6.06
NET REVENUE FROM OPERATIONS	5,222,436	+1,322,136
Railway tax accruals	1,161,400	+100,445
Railway operating income	4,061,036	+1,221,690
Net rents	2,281,265	+35,395
NET RAILWAY OPERATING INCOME	1,779,770	+1,186,295
Other income	118,468	-11,691
TOTAL INCOME	1,898,239	+1,174,603
Rent for leased roads and equipment	198,722	+22,552
Interest on funded debt	1,575,844	-16,569
TOTAL FIXED CHARGES	1,859,542	+4,752
NET DEFICIT	\$62,148	-\$1,082,125

CHICAGO, MILWAUKEE, ST. PAUL & PACIFIC.—Abandonment.—This company would be authorized to abandon that portion of a branch line extending northerly from Dixon, Iowa, to Oxford Junction, 23 miles, and would be denied authority to abandon that portion of the branch extending northerly from Eldridge, Iowa, to Dixon, 12 miles, if Division 4 of the Interstate Commerce Commission adopts a proposed report of its Examiner J. S. Prichard.

FORT DODGE, DES MOINES & SOUTHERN.—Plan of Reorganization.—The trustees of this company have filed with the Interstate Commerce Commission and the United States District Court a plan of reorganization under section 77 of the Bankruptcy Act under which there would be issued \$1,125,000 of no par common stock and \$2,825,000 of first mortgage bonds.

ILLINOIS CENTRAL.—New Director.—Oscar Johnston, president of the National Cotton Council and president of the Delta & Pine Land Co., which operates 50,000 acres of farming land in the Mississippi delta at Scott, Miss., has been elected a director of the Illinois Central succeeding Charles A. Munroe of New York and Chicago.

INDIANA.—Acquisition.—This company

has been authorized by Division 4 of the Interstate Commerce Commission to acquire and operate that portion of a line of railroad formerly owned by the Terre Haute Electric Company extending from a connection with the Binkley mine spur to Vigo siding, 2.3 miles, in Vigo County, Ind.

KANSAS CITY SOUTHERN.—Equipment Trust Certificates.—This company has asked the Interstate Commerce Commission to approve a plan whereby it would issue and sell to the Reconstruction Finance Corporation \$1,112,000 of 2½ per cent equipment trust certificates, maturing as follows: \$56,000 on September 1, 1940 and \$56,000 on March 1 and September 1 in each of the years thereafter to and including March 1, 1946; \$55,000 on September 1, 1946 and \$55,000 on March 1 and September 1 in each of the years thereafter to and including March 1, 1950.

The equipment trust issue would be used as a part payment for equipment costing a total of \$1,255,739, consisting of three all-steel combination mail and express passenger cars, three all-steel observation-parlor-diner cars, five all-steel passenger coaches, three 2,000 h.p. Diesel-electric passenger locomotives, and one 1,000 h.p. Diesel-electric switching locomotive.

KENTUCKY & INDIANA TERMINAL.—Pledge of Bonds.—This company has been authorized by Division 4 of the Interstate Commerce Commission to pledge and repledge to and including December 31, 1941, all or any part of \$511,000 of first mortgage 4½ per cent gold bonds as collateral security for any short-term notes that it may issue.

MAINE CENTRAL.—Pledge of Bonds.—This company has asked the Interstate Commerce Commission for authority to pledge and repledge from time to time to and including June 30, 1942, as collateral security for \$1,000,000 of short-term notes, all or any part of \$1,000,000 of Maine Central and European & North American five per cent first mortgage gold bonds and \$1,675,000 of Portland & Ogdensburg first mortgage 4½ per cent gold bonds.

MINNEAPOLIS, ST. PAUL & SAULT STE. MARIE.—Abandonment by the Wisconsin Central.—The Wisconsin Central and the Minneapolis, St. Paul & Sault Ste. Marie, respectively, have been granted authority by Division 4 of the Interstate Commerce Commission to abandon a line and the operation of the line extending from Cylon, Wis., to Glenwood City, 11.5 miles.

MINNEAPOLIS & ST. LOUIS.—Dismissal of Applications.—As a result of a decision reported in last week's issue in which the Interstate Commerce Commission denied authority to this company's reorganization managers to effect a reorganization, Division 4 has dismissed the following applications which form a part of the original plan:

(1) Application of the M. & St. L. Railroad Corporation to operate under trackage rights, in freight service, over the line of the M. & St. L. Railway Company between Hopkins, Minn., and Minneapolis; and

(2) Application of the M. & St. L. Rail-

road Corporation to operate under trackage rights, in passenger service, over lines of the M. & St. L. Railway Company and the Great Northern between Hopkins, Minn., and Minneapolis.

MISSOURI PACIFIC.—Reorganization.—The Interstate Commerce Commission, in a supplemental report, has modified its findings in this company's final reorganization plan in certain minor particulars, but has denied the petitions of the debtor asking that the stockholders be issued warrants instead of being completely wiped out. Commissioner Splawn, in a concurring-in-part opinion, expressed the belief that the plan should not permit the properties of the International Great Northern to be sold to outside interests without rendering the plan inoperative nor permit an exclusion of the International from the reorganization if the International's creditors do not agree to the plan.

Commissioner Alldredge, dissenting-in-part, concurred in all features of the report except that he "would have provided that the plan of reorganization of the Missouri Pacific system would not become operative without further consideration by us in the event the International should be sold, under the sale provisions of the plan, to others than the reorganization managers, or permitted for the present to remain in bankruptcy." Commissioner Miller dissented to the extent that he would have had the plan provide for the issuance of warrants to the stockholders.

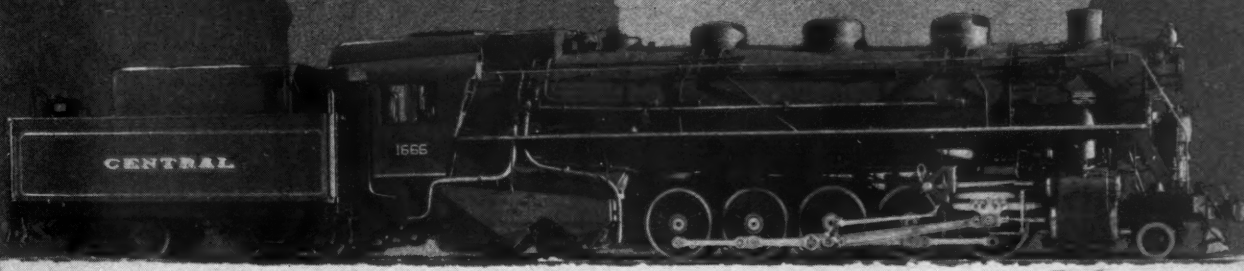
NEW YORK CENTRAL.—Operation.—The Cleveland, Cincinnati, Chicago & St. Louis and the Peoria & Eastern have been authorized to operate under trackage rights over portions of the main lines of each other in Indianapolis, Ind., and the New York Central, as lessee of the Big Four, has been authorized to continue its operation over these lines according to a decision of Division 4 of the Interstate Commerce Commission.

NEW YORK, NEW HAVEN & HARTFORD.—Abandonment by the Old Colony.—The Old Colony has asked the Interstate Commerce Commission for authority to abandon a line extending from Eastondale, Mass., to South Easton, 3,300 ft.

NEW YORK, NEW HAVEN & HARTFORD.—Terminal Charges.—This road must pay a total of \$554,242 in back taxes and interest to the Boston Terminal Company, according to a decision of the Federal Circuit Court of Appeals in New York, dated April 18. The Federal District Court at New Haven, Conn., which is in charge of the New Haven reorganization, had instructed the trustees not to pay taxes and interest incurred by the Terminal Company because such payment might endanger the financial position of the New Haven.

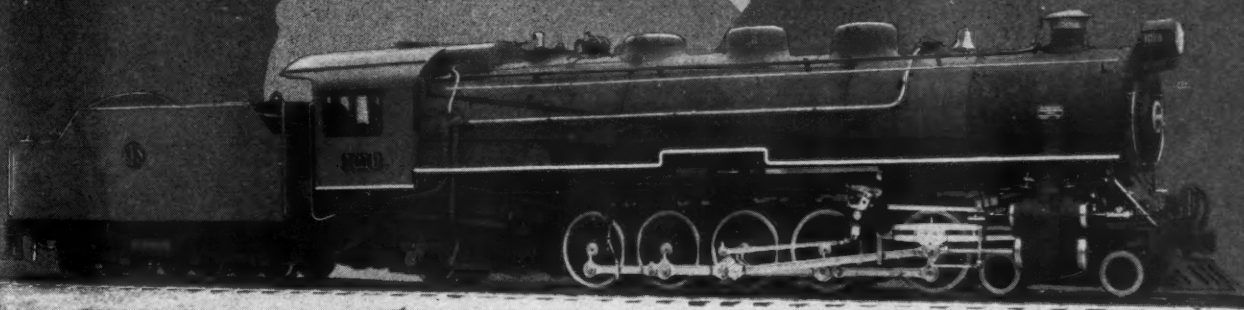
The Boston Terminal Company is the owner and operator of South Station, Boston, Mass., the costs of which are borne 70 per cent by the New Haven (in behalf of the Boston & Providence and the Old Colony) and 30 per cent by the Boston & Albany. The amount involved in the decision consists of approximately \$446,000 due the City of Boston for 1939 real estate taxes, a state franchise tax of \$13,000 and

ALCO in BRAZIL 1940



Built for the
Central Railway of Brazil

Weight on Drivers — 165,000 lb. Cylinders — 20 x 24 ins. Diameter Drivers — 48 1/4 ins.
Total Weight, Engine — 237,000 lb. Boiler Pressure — 243 lb. Tractive Power — 41,100 lb.



Built for the
E. F. Sorocabana

Weight on Drivers — 187,340 lb. Total Weight, Engine — 250,000 lb. Boiler Pressure — 235 lb.
Diameter Drivers — 48 ins. Tractive Power — 44,600 lb. Cylinders — 2—17 1/2 x 24, 1—17 1/2 x 22 ins.

AMERICAN LOCOMOTIVE COMPANY

interest due on Boston Terminal bonds of \$93,000. Suit had been brought by the bondholders of the Boston Terminal Company which is in bankruptcy.

The Circuit Court's decision may have further important effects in future litigation, inasmuch as the district court at New Haven, in issuing the Boston Terminal order, at the same time instructed the railroad's trustees to withhold payment of approximately \$689,000 of taxes assessed by municipalities in Massachusetts and Rhode Island. The latter was not in issue, however, in the instant decision.

NORTHERN PACIFIC.—Annual Report.—The 1939 annual report of this company shows net income of \$73,653 after interest and other charges, an increase of \$4,396,067 as compared with net deficit of \$4,322,413 in 1938. Selected items from the income account follow:

	1939	Increase or Decrease Compared with 1938
Average Mileage Operated	6,720.82	-23
RAILWAY OPERATING REVENUES	\$63,882,432	+\$6,860,848
TOTAL OPERATING EXPENSES	49,679,727	+2,622,999
Operating ratio	77.77	-4.75
NET REVENUE FROM OPERATIONS	14,202,705	+4,237,848
Railway tax accruals	6,764,959	-71,362
Railway operating income	7,437,746	+4,309,210
Equipment rents— Net Cr.	664,867	-68,145
Joint facility rents— Net Cr.	2,376,623	-59,186
NET RAILWAY OPERATING INCOME	10,479,237	+4,181,879
Other income	4,348,611	+85,511
GROSS INCOME	14,827,848	+4,267,391
Rent for leased roads and equipment	77,941	-17,368
Interest on funded debt	14,409,229	-27,857
TOTAL FIXED CHARGES	14,495,411	-147,928
NET INCOME	\$73,653	+\$4,396,067

OREGON PACIFIC & EASTERN.—Securities.—This company has been authorized by Division 4 of the Interstate Commerce Commission to issue 15,132 shares of five per cent preferred stock having a par value of \$10 each and 15,137 shares of no-par value common stock, in effecting a reorganization under section 77 of the Bankruptcy Act.

PROVIDENCE, WEBSTER & SPRINGFIELD.—Abandonment.—This company has asked the Interstate Commerce Commission for authority to abandon its entire line extending from Webster, Mass., to Webster Junction, 11 miles.

RAILWAY EXPRESS AGENCY.—Director.—Frank J. Gavin, president of the Great Northern, has asked the Interstate Commerce Commission for authority to hold the position of director of this company.

SEABOARD AIR LINE.—Bond Interest.—Judge L. B. Way of the Federal District Court at Norfolk, Va., has authorized this road to pay amounts equivalent to one-half year's interest on the following underlying bonds: Raleigh & Augusta, Raleigh & Gaston (to be paid on or before July 1), Carolina Central and Florida Central &

Peninsular (to be paid on or before January 1, 1941).

RICHMOND, FREDERICKSBURG & POTOMAC.—Annual Report.—The 1939 annual report of this road shows a net income of \$1,089,337 after interest and other charges, an increase of \$574,026 as compared with net income in 1938. Selected items from the income account follow:

	1939	Increase or Decrease Compared with 1938
RAILWAY OPERATING REVENUES	\$8,752,234	+\$998,126
Maintenance of way	885,054	+110,035
Maintenance of equipment	1,627,111	+98,978
Transportation	3,239,650	+93,154
TOTAL OPERATING EXPENSES	6,374,277	+313,749
Operating ratio	72.83	-5.33
NET REVENUE FROM OPERATIONS	2,377,957	+684,376
Railway tax accruals	762,869	+134,661
Hire of equipment	478,213	+80,873
Joint facility rents	78,036	+111,063
NET RAILWAY OPERATING INCOME	1,214,910	+579,904
Other income	217,951	-2,154
GROSS INCOME	1,432,861	+577,750
TOTAL DEDUCTIONS FROM GROSS INCOME	343,524	+3,723
NET INCOME	\$1,089,337	+\$574,026

SOUTHERN.—Annual Report.—The 1939 annual report of this company shows net income of \$6,487,336 after interest and other charges, as compared with a net deficit of \$497,772 in 1938. Selected items from the income account follow:

	1939	Increase or Decrease Compared with 1938
RAILWAY OPERATING REVENUES	\$99,153,560	+\$9,734,450
Maintenance of way	11,733,955	+1,168,442
Maintenance of equipment	16,653,075	+1,465,338
Transportation	33,900,760	+1,565,364
TOTAL OPERATING EXPENSES	68,009,468	+4,416,468
Operating ratio	68.59	-2.53
NET REVENUE FROM OPERATIONS	31,144,091	+5,317,981
Taxes	7,814,552	+445,534
Hire of Equipment	1,739,202	-1,335,317
Joint facility rents	1,068,470	+29,463
NET RAILWAY OPERATING INCOME	20,521,866	+6,178,301
Other income	3,046,972	+1,163,464
TOTAL GROSS INCOME	23,568,838	+7,341,764
Rent for leased roads*	2,565,091	-18,146
Interest on funded debt	13,082,893	-40,730
TOTAL DEDUCTIONS FROM GROSS INCOME	17,081,502	+356,655
NET INCOME	\$6,487,336	+\$6,985,108

* Excludes interest on Southern Railway—Carolina Division and Elberton Southern Ry. Co. Securities as Income from Funded Securities and Contra Rent for Leased Roads and Equipment.

SOUTHERN.—Abandonment.—This company would not be permitted to abandon a line extending from Cochran, Ga., in a general southwesterly direction to Hawkinsville, 10.3 miles, if Division 4 of the Interstate Commerce Commission adopts a proposed report of its Examiner Jerome K. Lyle. At the same time Examiner Lyle would have Division 4 deny authority

to the Wrightsville & Tennille to (1) acquire the abovementioned line from the Southern, and (2) to abandon its line extending from Southwest Junction, Ga., to Eastman, 28.5 miles. Examiner Lyle found that the operation of the two branches does not impose an undue burden on the Southern and the Wrightsville & Tennille at the present time.

ST. LOUIS SOUTHWESTERN OF TEXAS.—Operation.—This company has been authorized by Division 4 of the Interstate Commerce Commission to continue operation, under trackage rights, over the tracks of the Dallas Terminal Railway & Union Depot in Dallas, Tex., 3.5 miles of main tracks and 10.9 miles of yard tracks and sidings.

SOUTHERN PACIFIC.—Abandonment.—This company has been authorized by Division 4 of the Interstate Commerce Commission to abandon the part of the so-called Chino branch extending from Chino, Calif., to Ontario, 4.8 miles.

SOUTHERN PACIFIC.—Acquisition and Abandonment.—Examiner Ralph R. Molster of the Interstate Commerce Commission has recommended in a proposed report that Division 4 authorize (a) the abandonment by the Central Pacific, and the abandonment of operation by the Southern Pacific of the part of an existing line between Delta, Calif., and Coram, 24 miles, and (b) the acquisition by the Central Pacific and operation by the Southern Pacific of a new line under construction between Delta, Calif., and Redding, 30.1 miles. At the same time Examiner Molster would have Division 4 deny authority to the Central Pacific and the Southern Pacific, respectively, to abandon a line and the operation of a line extending from Coram, Calif., to Redding, 14 miles.

SPOKANE, COEUR D'ALENE & PALOUSE.—Abandonment.—This company has been authorized by Division 4 of the Interstate Commerce Commission to abandon a line extending from Coeur d'Alene, Idaho, to a point about 1.6 miles north of Dalton, 5.6 miles.

TENNESSEE.—Notes.—This company has been granted authority by Division 4 of the Interstate Commerce Commission to issue \$40,000 of three-year five per cent promissory notes, to be disposed of at not less than par, and the proceeds applied to new construction and the purchase of equipment.

WHEELING & LAKE ERIE.—Abandonment.—This company has asked authority from the Interstate Commerce Commission to abandon 2,791 ft. of track in Cleveland, Ohio.

Dividends Declared

Richmond, Fredericksburg & Potomac.—7 Per Cent Guaranteed, \$3.50, semi-annually; 6 Per Cent Guaranteed, \$3.00, semi-annually, both payable May 1 to holders of record April 30.

Average Prices of Stocks and Bonds

	Apr. 23	Last week	Last year
Average price of 20 representative railway stocks..	31.69	31.56	26.57
Average price of 20 representative railway bonds..	59.65	59.76	57.91

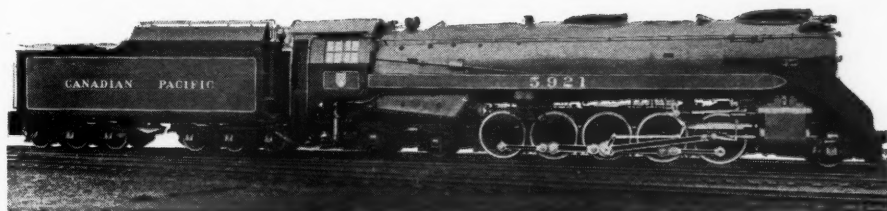
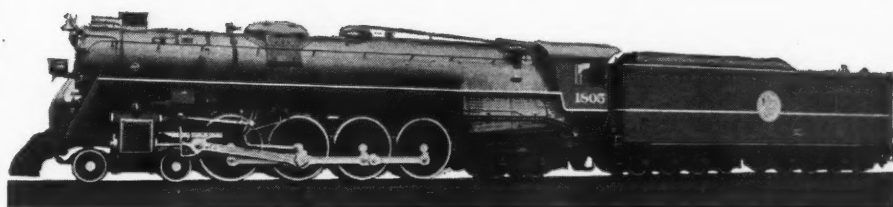
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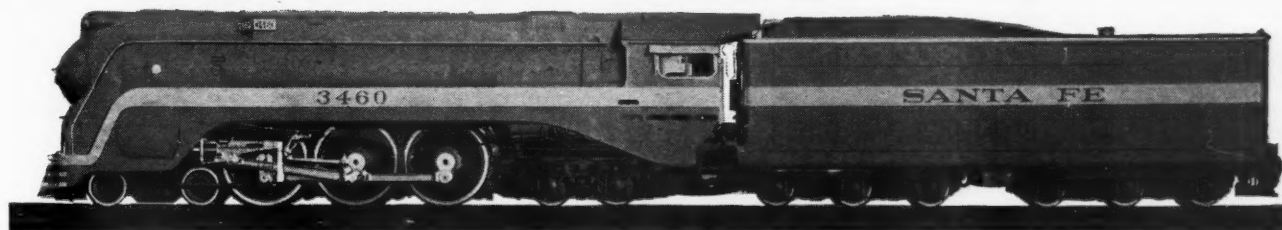
N..E..W..S 32 ROADS
DEPEND ON 680

NICKEL STEEL BOILERS

SOUTH—Faster schedules and heavier tonnages require higher steam pressures without increasing boiler shell thicknesses and dead weight—basic reasons for 2% Nickel steels in boiler parts. Nickel steels withstand fatigue, and assure greater strength and toughness. Atlantic Coast Line 4-8-4, from Baldwin Locomotive Works, has Nickel steel boiler.

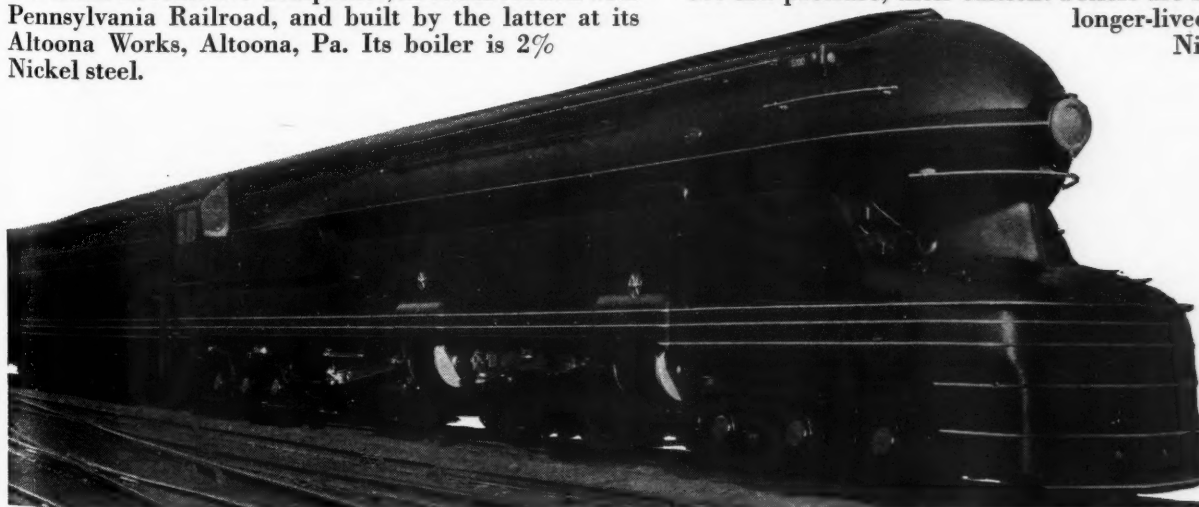


NORTH—680 locomotives in service on 32 roads in the U. S. and Canada—as of January 1, 1940—are equipped with modern boilers built from 2% Nickel steel. This C. P. 2-10-4 so equipped, operating over Rocky Mountain divisions, was built by the Montreal Locomotive Works.



EAST—This 6,500 horsepower engine exhibited by American Railroads, Eastern Presidents' Conference Committee, was designed by engineers of the American, Baldwin and Lima Locomotive Companies, in collaboration with Pennsylvania Railroad, and built by the latter at its Altoona Works, Altoona, Pa. Its boiler is 2% Nickel steel.

WEST—Baldwin-built 4-6-4's pull The Chief and other Santa Fe limiteds from Chicago to LaJunta, Colorado, covering about 1,000 miles in 1,170 minutes. Working at 300 lbs. pressure, their efficient boilers are made safer, longer-lived with 2% Nickel steels.



THE INTERNATIONAL NICKEL COMPANY, INC. 67 WALL STREET
NEW YORK, N. Y.

Railway Officers

EXECUTIVE

W. A. Little, traffic manager of the Missouri & Arkansas, has been elected vice-president and traffic manager, with headquarters as before at Harrison, Ark.

Champion McD. Davis, vice-president of the Atlantic Coast Line, has been elected executive vice-president, with headquarters as before at Wilmington, N. C. Mr. Davis has also been elected vice-president of the Columbia, Newberry & Laurens.

OPERATING

William K. Hallett, general manager of the Bangor & Aroostook, with headquarters at Bangor, Me., has resigned, effective April 30, after 46 years of service with the road. **Roy H. MacCreedy**, vice-president of the company will hereafter perform the duties formerly handled by the general manager.

Effective May 1, **W. W. Simpson**, trainmaster on the Southern at Danville, Ky., will be promoted to superintendent, with headquarters at Selma, Ala., succeeding **D. W. Brosnan**, who will be transferred to Macon, Ga. Mr. Brosnan will replace **W. H. DeButts**, who will be transferred to Alexandria, Va., relieving **J. T. Mon**, who will be transferred to Asheville, N. C., succeeding **W. H. Cheney**. Mr. Cheney will be transferred to Greenville, S. C., replacing **Z. L. Mobley**, who will be transferred to Birmingham, Ala., replacing **E. L. Keister**. Mr. Keister will be transferred to Somerset, Ky., relieving **R. C. Reid**, who will retire on that date.

TRAFFIC

H. R. Steinfeld, assistant general freight agent in charge of solicitation of the Chicago, Attica & Southern, with headquarters at Chicago, has been appointed general agent for the Texas Electric at Chicago, a newly created position.

J. A. Christian, assistant general agent for the Kansas City Southern and the Louisiana & Arkansas at Joplin, Mo., has been promoted to general agent at that point, effective May 1, succeeding **C. S. Cox**, who will retire on that date.

ENGINEERING AND SIGNALING

Warden N. Hartman, whose appointment as superintendent of telegraph and signals of the Chesapeake & Ohio, with headquarters at Richmond, Va., was announced in the *Railway Age* of April 6, was born on February 1, 1891, in Longmont, Colo. He was graduated from the University of Colorado in 1912, receiving a B.S. degree in Mechanical Engineering, and entered railway service on July 1, 1912, as a signal apprentice with the Pennsylvania. In April, 1916, Mr. Hartman was appointed assistant inspector of signals in the signal engineer's office of that road.

From June, 1916, to April, 1920, Mr. Hartman served as assistant supervisor of signals on the Trenton (N. J.) division, in the valuation engineer's office, and on the Pittsburgh (Pa.) division of the P. R. R. He



Photo by Foster Studio

Warden N. Hartman

was promoted to supervisor of signals of the Pittsburgh division in April, 1920, and from October, 1920, to November, 1927, he was successively supervisor of telegraph and signals of the Pittsburgh division and of the Monongahela division. He joined the Chesapeake & Ohio in November, 1927, as assistant signal engineer, in which capacity he served until his recent appointment as superintendent of telegraph and signals.

MECHANICAL

Harvey H. Jones, general locomotive foreman of the Cheyenne shops of the Union Pacific at Cheyenne, Wyo., has been promoted to assistant to the superintendent of motive power and machinery, Western districts, with headquarters at Pocatello, Idaho.

E. R. Buck, master mechanic on the Pennsylvania at Pitcairn, Pa., has been appointed superintendent of motive power of the Wabash, with headquarters at Decatur, Ill., succeeding **George Franklin**



George Franklin Hess

Hess, who retired on April 18. Mr. Hess was born at Ft. Wayne, Ind., on January 1, 1872, and entered railway service as a messenger boy in the mechanical department of the Pennsylvania in 1886. In

March, 1887, he became a machinist apprentice in the Pennsylvania shops at Ft. Wayne, and four years later he was appointed a machinist. He later served the Cleveland & Pittsburgh (now part of the Pennsylvania) at Wellsville, Ohio, the Cleveland, Canton & Southern (now part of the Wheeling & Lake Erie) at Canton, Ohio, the Atchison, Topeka & Santa Fe, at Raton, N. M., the Cleveland, Cincinnati, Chicago & St. Louis (Big Four), at Wabash, Ind., and the Wabash at Ft. Wayne, Ind. In September, 1897, he was promoted to roundhouse foreman at Montpelier, Ohio, and a short time later was transferred to Delray, Mich. In May, 1899, he went with the Grand Trunk Western as general foreman at Detroit, Mich., and later served the Chicago, Rock Island & Pacific as enginehouse foreman at Pratt, Kan., and at Caldwell, Kan. In July, 1902, Mr. Hess was advanced to general foreman of the 47th Street (Chicago) shops, and March, 1903, he went with the Baltimore & Ohio as erecting foreman at Newark, Ohio. One month later, he was appointed general foreman at South Chicago, and in June, 1903, he was promoted to master mechanic at Lorain, Ohio. In November, 1910, he was transferred to Chillicothe, Ohio, and on August 1, 1911, he was appointed superintendent of machinery of the Kansas City Southern, with headquarters at Pittsburg, Kan. Mr. Hess was appointed superintendent of motive power of the Wabash, with headquarters at Decatur, Ill., on June 1, 1920, holding that position until his retirement.

OBITUARY

Thomas Tapp Waterston, retired general solicitor for the Canadian National, died of a heart attack on April 21. He was in his 78th year.

William John Cherry, who retired as auditor of overcharge claims of the Canadian Pacific on June 30, 1939, died at his home in Montreal, Que., on April 22 at the age of 67.

J. K. McNeillie, resident vice-president of the Delaware & Hudson, and vice-president of the Napierville Junction (Delaware & Hudson subsidiary), with headquarters at Montreal, Que., died on April 24, at the age of 66.

Arthur Williamson, general superintendent of the Western Maryland, with headquarters at Baltimore, Md., died on April 19, at the age of 57. He was born on September 24, 1882, at Wolstanton, Stoke-on-Trent, Staffordshire, England. Mr. Williamson was first employed in the United States in the coal mines of the Davis Coal and Coke Company, at Thomas, W. Va. After a short time in the mines, he obtained a job with the Western Maryland as a laborer and hostler. He was promoted successively to locomotive fireman, locomotive engineer, road foreman of engines and superintendent of the Elkins division. In 1934, he came to Baltimore as general superintendent of the entire system, holding that position until his death. During the period from 1914 to 1917 Mr. Williamson served as general chairman of the locomotive firemen's and enginemen's organization of the railroad.